SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3828. LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

IN HENDERSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3828.001.  DEFINITIONS. In this chapter:

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

(2)  "Commission" means the Texas Commission on Environmental Quality.

(3)  "District" means the Lake View Management and Development District.

(4)  "Improvement project" means a program or project authorized by Section 3828.102, inside or outside the boundaries of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.002.  CREATION AND NATURE OF DISTRICT. (a) The Lake View Management and Development District is a special district created under Section 59, Article XVI, Texas Constitution.

(b)  The board by resolution may change the district's name.  The board shall give written notice of the change to the commission.

(c)  The district is a governmental unit for the purposes of Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of that chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.003.  PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b)  All land and other property included in the district will benefit from the improvement projects and services to be accomplished by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c)  The creation of the district:

(1)  is essential to the conservation and beneficial use of the water, land, including soil, and other natural resources in or adjacent to the district;

(2)  is essential to further the public purposes of:

(A)  economic development and diversification of the state;

(B)  elimination of unemployment and underemployment; and

(C)  stimulation and development of transportation and commerce;

(3)  will promote the health, safety, and general welfare of residents, employers, employees, and consumers in the district and in Henderson County and of the public; and

(4)  is in the public interest.

(d)  The district's operations and the district's improvement projects will enable the district to preserve, maintain, and enhance the economic health and vitality of the area in the district as a community, residential, recreational, business, and commerce center.

(e)  The district will promote the health, safety, welfare, education, convenience, and enjoyment of the public by:

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

(2)  providing public services and facilities in and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic beauty.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.004.  DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1)  Section 3828.105 or its predecessor statute, former Section 18, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003; or

(2)  other law.

(b)  The boundaries of the district form a closure.  A mistake in the name or spelling of a party to a deed or to the page or volume where filed in the deed records of Henderson County, or in the name of a survey or abstract, does not affect:

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

(2)  the district's right to enter into any type of contract for the purposes for which the district is created;

(3)  the district's right to impose, assess, or collect taxes, fees, or charges; or

(4)  the operation of the board or the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.005.  LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3828.051.  COMPOSITION; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years.

(b)  The board shall hold an election on the uniform election day in February of each even-numbered year to elect the appropriate number of directors.

(c) Expired.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.052.  ELIGIBILITY. To be qualified to serve as a director, a person must be at least 18 years of age and:

(1)  reside in the district;

(2)  own real property in the district;

(3)  own at least 10 percent of the outstanding interest of a corporation or general or limited partnership that owns real property in the district; or

(4)  be an agent, employee, officer, or director of a corporation, limited liability company, or partnership that owns real property in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.053.  VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3828.052.

(b)  If there are fewer than three directors, on petition by the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Henderson County, the Commissioners Court of Henderson County shall appoint the necessary number of directors to fill all board vacancies.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 1, eff. May 27, 2009.

Sec. 3828.0535.  VOTING REQUIREMENT. A concurrence of a majority of the total membership of the board is sufficient for transacting any business of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 2, eff. May 27, 2009.

Sec. 3828.054.  DIRECTOR'S BOND; OATH OR AFFIRMATION. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b)  The bond must be approved by the board.

(c)  The bond and constitutional oath or affirmation of office shall be filed with the district and the district shall retain the bond and oath or affirmation in the district records.

(d)  The district shall pay the cost of the bond.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.055.  OFFICERS. The board shall elect from among the directors a presiding officer, a vice presiding officer, a secretary, and any other officers the board considers necessary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 3, eff. May 27, 2009.

Sec. 3828.056.  COMPENSATION. (a)  In this section, "performing the duties of a director" means substantive performance of the management or business of the district, including participation in board and committee meetings and other activities involving the substantive deliberation of district business and in pertinent educational programs.  The term does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

(b)  A director is entitled to receive fees of office of not more than $150 a day for each day the director spends performing the duties of a director as compensation for service on the board and is entitled to reimbursement for necessary and reasonable expenses incurred in performing the duties of a director.

(c)  The board by resolution shall set a limit on the fees of office that a director may receive in a year.  The board may not set the limit at more than $7,200.

(d)  To receive compensation or reimbursement for expenses, a director must file with the district a verified statement showing the number of days spent performing the duties of a director and a general description of the duties performed for each day of service.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1268 (S.B. [1899](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01899F.HTM)), Sec. 1, eff. June 17, 2011.

Sec. 3828.058.  DISTRICT CONFIRMATION ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the initial directors shall hold an organizational meeting and call a confirmation election to be held not later than the second uniform election date occurring after the date of the organizational meeting.

(b)  The confirmation election to confirm the establishment of the district shall be called and held in the manner provided by Subchapter D, Chapter 49, Water Code.  If a majority of the votes cast at a confirmation election do not favor the creation of the district, the board may call subsequent elections, but may not call another confirmation election sooner than six months after the date of the previous election.

(c)  Before the district is confirmed at an election, the district may carry on business as the board may determine except that the district may not borrow money or impose or assess a tax or an assessment.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3828.101.  GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1)  the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law;

(2)  the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code;

(3)  Chapter 372 or 382, Local Government Code, in the same manner as a municipality or a county;

(4)  Chapter 375, Local Government Code; and

(5)  Chapter 505, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/HB02278F.HTM)), Sec. 3.53, eff. April 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB01969F.HTM)), Sec. 21.022, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 4, eff. May 27, 2009.

Sec. 3828.102.  IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1)  a retail or wholesale water treatment, supply, and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater and sewerage collection and treatment facility or system, provided that treated effluent water resulting from a sewerage treatment facility operated by or in the district may be used by the district for irrigation in the district;

(2)  septic tank maintenance services inside or outside the district and solid waste disposal services if the board determines the action to be necessary and appropriate to protect the district;

(3)  a macadamized, graveled, or paved road, street, or turnpike, inside and outside the district to the extent authorized by Section 52, Article III, Texas Constitution;

(4)  the planning, design, construction, improvement, and maintenance of:

(A)  landscaping;

(B)  highway right-of-way or transit corridor beautification and improvement;

(C)  lighting, banners, and signs;

(D)  a street or sidewalk;

(E)  a hiking and cycling path or trail;

(F)  a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G)  a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;

(H)  a fountain, plaza, or pedestrian mall; or

(I)  a drainage or storm-water detention improvement;

(5)  protection and improvement of the quality of storm water that flows through the district;

(6)  the planning, design, construction, improvement, maintenance, and operation of:

(A)  a solid waste, water, sewer, or power facility or service, including an electrical, gas, steam, or chilled water facility; or

(B)  an off-street parking facility or heliport;

(7)  the planning and acquisition of:

(A)  public art and sculpture and related exhibits and facilities; or

(B)  an educational and cultural exhibit or facility;

(8)  the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(A)  a conference, convention, or exhibition;

(B)  a manufacturer, consumer, or trade show;

(C)  a civic, community, or institutional event; or

(D)  an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(9)  the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;

(10)  the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;

(11)  the acquisition of property or an interest in property in connection with an authorized improvement project;

(12)  a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A)  advertising;

(B)  promotion;

(C)  tourism;

(D)  health and sanitation;

(E)  public safety;

(F)  security;

(G)  fire protection or emergency medical services;

(H)  business recruitment;

(I)  development;

(J)  elimination of traffic congestion; and

(K)  recreational, educational, or cultural improvements, enhancements, and services;

(13)  a canal, waterway, bulkhead, or dock, inside or outside the district's boundaries, that is necessary to, incidental to, or in aid of the navigation of inland water;

(14)  a floodplain or wetlands regulation project, including the acquisition of necessary local, state, or federal permits; or

(15)  any similar public improvement, facility, or service.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 5, eff. May 27, 2009.

Sec. 3828.103.  GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1)  enter into a contract with any person to accomplish any district purpose, including a contract for:

(A)  the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B)  the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2)  apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b)  A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines.

(c)  Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.104.  RULES. The district may adopt rules:

(1)  to administer or operate the district;

(2)  for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; or

(3)  to provide for public safety and security in the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.105.  ADDITION OR REMOVAL OF TERRITORY. The board may add, delete, or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code, as limited by Section 54.016, Water Code, except that:

(1)  for purposes of this section, a reference in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, to a tax means an ad valorem tax;

(2)  Section 54.016, Water Code, and Section 42.042, Local Government Code, do not apply to the district's annexation of land restricted primarily to commercial or business use;

(3)  land may not be added or annexed to the district without the consent of the owners of the land; and

(4)  land may not be removed or disannexed from the district at any time during which any bonds or other obligations of the district that are payable, wholly or partly, from ad valorem taxes are outstanding.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.106.  EMINENT DOMAIN. (a) The district may exercise the power of eminent domain inside district boundaries for any public purpose.

(b)  The district may exercise the power of eminent domain outside district boundaries only to construct, acquire, operate, repair, or maintain a water supply line or sanitary sewer line.

(c)  The district's power of eminent domain must be exercised in the manner provided by Chapter 21, Property Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.107.  NONPROFIT CORPORATION. (a) The board by resolution may authorize the incorporation of a nonprofit corporation to assist and act for the district in implementing an improvement project or providing a service authorized by this chapter.

(b)  The nonprofit corporation:

(1)  has each power of and is considered for purposes of this chapter to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2)  may implement any improvement project and provide any service authorized by this chapter and approved by the board.

(c)  The board shall appoint the board of directors of the nonprofit corporation.  The board of directors of the nonprofit corporation shall serve in the same manner, for the same term, and on the same conditions as a board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.108.  ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:

(1)  Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2)  Chapter 1509, Government Code, provides to any municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.109.  TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.110.  USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF THE DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district.  To the extent the district rules conflict with a rule, order, or regulation of Henderson County or the Tarrant Regional Water District, the rule, order, or regulation of the county or Tarrant Regional Water District controls.  A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b)  The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility.  The board may charge a fee for the permit application or for public safety or security services in an amount the board considers necessary.

(c)  The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.111.  ZONING BY COUNTY. (a) If requested by the district to exercise zoning powers, Henderson County may exercise, solely in the district boundaries, the zoning powers granted to counties in Subchapter E, Chapter 231, Local Government Code, without holding the election required by Section 231.075 of that code.

(b)  If the county exercises zoning powers, the board shall exercise and perform the powers, duties, and functions of a lake planning commission under Section 231.077, Local Government Code.

(c)  This section does not apply to land or facilities owned by the Tarrant Regional Water District.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.112.  DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1)  has no outstanding bonded debt; and

(2)  is not imposing ad valorem taxes.

(b)  The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c)  Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1)  outside Henderson County; or

(2)  in the corporate limits or extraterritorial jurisdiction of a municipality, unless the municipality consents.

(d)  Any new district created by the division of the district has all the powers and duties of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 1002 (S.B. [1993](http://www.legis.state.tx.us/tlodocs/80R/billtext/html/SB01993F.HTM)), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3828.151.  GENERAL POWERS REGARDING FINANCIAL MATTERS. The district may:

(1)  impose an ad valorem tax on all taxable property in the district;

(2)  impose an assessment or impact fee in the manner provided for a municipality or county under Chapter 372 or 382, Local Government Code, on all industrial, commercial, and residential property in the district;

(3)  impose and apply the proceeds from a sales and use tax, and a hotel occupancy tax, as authorized by this chapter;

(4)  impose a rate, fee, or charge for the use of an improvement project or the consumption of a product resulting from an improvement project;

(5)  borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose;

(6)  establish, revise, repeal, enforce, collect, and apply the proceeds from a user fee or charge for the enjoyment, sale, rental, or other use of a district facility, service, property, or improvement project;

(7)  provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs of an improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the imposition of taxes, user fees, concessions, rentals, or other revenues or resources of the district;

(8)  establish user charges related to the operation of various public services, including public water supply services, for the collection and treatment of wastewater, and for the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district, and for the provision of septic tank maintenance services inside and outside the district;

(9)  undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:

(A)  for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B)  that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(10)  enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB01969F.HTM)), Sec. 21.023, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 249 (S.B. [2503](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB02503F.HTM)), Sec. 6, eff. May 27, 2009.

Sec. 3828.152.  IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment, including an impact fee or assessment on residential property, only in the manner provided by Chapter 372 or 382, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b)  An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1)  public water and wastewater facilities;

(2)  drainage and storm-water facilities; and

(3)  streets and alleys.

(c)  The district may not impose an impact fee or assessment on the property, including equipment and facilities, of a public utility provider or a cable operator as defined by 47 U.S.C. Section 522, as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](http://www.legis.state.tx.us/tlodocs/81R/billtext/html/SB01969F.HTM)), Sec. 21.024, eff. September 1, 2009.

Sec. 3828.153.  MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for funds for:

(1)  planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2)  paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b)  The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the voters voting at an election held for that purpose.  If the tax is approved, the board may have the tax assessed and collected in the same manner as other district ad valorem taxes.

(c)  A maintenance and operation tax election may be held at the same time and in conjunction with any other district election.  The election may be called by a separate election order or as part of any other election order.

(d)  The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.154.  USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.155.  BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds in the manner provided by Subchapter J, Chapter 375, Local Government Code, except that Sections 375.207 and 375.208 do not apply to bonds issued under this chapter.

(b)  In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from the sales and use tax and the hotel occupancy tax authorized by this chapter and from any other district revenues.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.156.  TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1)  the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2)  the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A)  pay the interest on the bonds or other obligations as the interest becomes due;

(B)  create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C)  pay the expenses of imposing the taxes.

(b)  Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the voters in the district voting at an election held for that purpose.

(c)  The district shall hold an election required by this section in the manner provided by Subchapter L, Chapter 375, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.157.  INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS.  Sections 26.04, 26.042, 26.05, 26.07, and 26.075, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](http://www.legis.state.tx.us/tlodocs/86R/billtext/html/SB00002F.HTM)), Sec. 84, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. [1438](http://www.legis.state.tx.us/tlodocs/87R/billtext/html/SB01438F.HTM)), Sec. 3, eff. June 16, 2021.

Sec. 3828.158.  HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b)  For purposes of this section, a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

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

(d)  The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

(1)  is in a hotel located in the district's boundaries;

(2)  costs $2 or more each day; and

(3)  is ordinarily used for sleeping.

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

(f)  The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.159.  USE OF HOTEL OCCUPANCY TAX. (a) The district may use the proceeds from a hotel occupancy tax imposed under Section 3828.158 for any of the district's purposes and for the purposes described by Section 352.1015, Tax Code, to the extent the board considers appropriate.

(b)  During each interval of three calendar years following the date on which a hotel occupancy tax imposed under Section 3828.158 is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

(1)  the costs of advertising and promoting tourism; or

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

(A)  conferences, conventions, and exhibitions;

(B)  manufacturer, consumer, or trade shows; and

(C)  civic, community, or institutional events.

(c)  For purposes of this section, a reference in Subchapter B, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter B, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. SALES AND USE TAX

Sec. 3828.201.  MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.202.  APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b)  The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.203.  AUTHORIZATION; ELECTION. (a) The district may adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b)  The board by order may call an election to adopt, reduce, or repeal a sales and use tax.  The election must be held on the next available uniform election date that occurs at least 45 days after the date the order calling the election was passed.

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

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

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.204.  EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.205.  SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.206.  EFFECT OF ANNEXATION OR EXCLUSION OF TERRITORY. (a) If all or part of the district territory is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity of an election, so that the combined rate of all sales and use taxes imposed by Henderson County, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, except that:

(1)  a sales and use tax previously adopted by the district for the annexed territory may not be reduced to less than one-half percent; and

(2)  a reduction of the district's sales and use tax in the portions of the district that are not annexed is not required.

(b)  Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by this section, the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

Sec. 3828.207.  EXAMINATION AND RECEIPT OF INFORMATION. The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER F. DISSOLUTION OF DISTRICT

Sec. 3828.251.  DISSOLUTION. (a) Except as provided by Subsection (b) and the terms of a joint development and operating agreement, the board:

(1)  may dissolve the district; and

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

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

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

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/HB02019F.HTM)), Sec. 1.03, eff. April 1, 2007.