

1 AN ACT

2 relating to the nonsubstantive revision of certain local laws  
3 concerning special districts, including conforming amendments.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

6 SECTION 1.01. Subtitle A, Title 3, Special District Local  
7 Laws Code, is amended by adding Chapters 1001, 1004, 1005, 1006,  
8 1008, and 1009 to read as follows:

9 CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 1001.001. DEFINITIONS

12 Sec. 1001.002. NATURE OF DISTRICT

13 Sec. 1001.003. DUTY TO NAME DISTRICT

14 Sec. 1001.004. DISTRICT TERRITORY

15 [Sections 1001.005-1001.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Sec. 1001.051. BOARD; TERM

18 Sec. 1001.052. MANAGER REMOVAL

19 Sec. 1001.053. OFFICERS

20 Sec. 1001.054. COMPENSATION

21 Sec. 1001.055. RECORDS OF PROCEEDINGS

22 Sec. 1001.056. DISTRICT ADMINISTRATOR

23 Sec. 1001.057. GENERAL DUTIES OF DISTRICT

24 ADMINISTRATOR

- 1 Sec. 1001.058. ASSISTANT ADMINISTRATOR
- 2 Sec. 1001.059. LEGAL COUNSEL
- 3 Sec. 1001.060. EMPLOYEES
- 4 Sec. 1001.061. PHYSICIAN QUALIFICATION
- 5 Sec. 1001.062. HEALTH CARE EDUCATIONAL PROGRAMS
- 6 Sec. 1001.063. RETIREMENT PROGRAM
- 7 Sec. 1001.064. LIABILITY INSURANCE
- 8 Sec. 1001.065. SEAL
- 9 [Sections 1001.066-1001.100 reserved for expansion]
- 10 SUBCHAPTER C. POWERS AND DUTIES
- 11 Sec. 1001.101. DISTRICT RESPONSIBILITY
- 12 Sec. 1001.102. RESTRICTION ON MUNICIPAL OR COUNTY
- 13 TAXATION
- 14 Sec. 1001.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 15 Sec. 1001.104. HOSPITAL SYSTEM
- 16 Sec. 1001.105. RULES
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- 18 Sec. 1001.107. ELIGIBILITY STANDARDS; PRICING
- 19 Sec. 1001.108. DISTRICT PROPERTY, FACILITIES, AND
- 20 EQUIPMENT
- 21 Sec. 1001.109. EMINENT DOMAIN
- 22 Sec. 1001.110. GIFTS AND ENDOWMENTS
- 23 Sec. 1001.111. CONTRACTS FOR SERVICES TO CERTAIN
- 24 PERSONS
- 25 Sec. 1001.112. JOINT ADMINISTRATION OR DELIVERY OF
- 26 HEALTH CARE SERVICES
- 27 Sec. 1001.113. PAYMENT FOR TREATMENT; PROCEDURES

- 1 Sec. 1001.114. REIMBURSEMENT FOR SERVICES TO
- 2 NONRESIDENTS
- 3 Sec. 1001.115. AUTHORITY TO SUE AND BE SUED
- 4 [Sections 1001.116-1001.150 reserved for expansion]
- 5 SUBCHAPTER D. CHANGE IN BOUNDARIES
- 6 Sec. 1001.151. PETITION TO EXPAND DISTRICT TERRITORY
- 7 Sec. 1001.152. NOTICE OF HEARING
- 8 Sec. 1001.153. ORDER OF ANNEXATION
- 9 Sec. 1001.154. RATIFICATION ELECTION
- 10 Sec. 1001.155. NOTICE OF RATIFICATION ELECTION
- 11 Sec. 1001.156. ASSUMPTION OF DEBT AND TAXES
- 12 Sec. 1001.157. BALLOT
- 13 [Sections 1001.158-1001.200 reserved for expansion]
- 14 SUBCHAPTER E. EXPANSION OF SERVICE
- 15 INTO RANDALL COUNTY
- 16 Sec. 1001.201. ELECTION ON EXPANSION OF SERVICE
- 17 Sec. 1001.202. BALLOT
- 18 Sec. 1001.203. ELECTION RESULTS
- 19 Sec. 1001.204. TAXES
- 20 Sec. 1001.205. PARTICIPATION IN OPERATION OF DISTRICT
- 21 Sec. 1001.206. CUMULATIVE EFFECT
- 22 [Sections 1001.207-1001.250 reserved for expansion]
- 23 SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY
- 24 TERRITORY
- 25 Sec. 1001.251. ELECTION ON DISCONTINUATION OF SERVICE
- 26 Sec. 1001.252. BALLOT
- 27 Sec. 1001.253. ELECTION RESULTS

1 Sec. 1001.254. TAXES

2 [Sections 1001.255-1001.300 reserved for expansion]

3 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

4 Sec. 1001.301. BUDGET

5 Sec. 1001.302. FINANCIAL REPORT

6 Sec. 1001.303. DEPOSITORY

7 [Sections 1001.304-1001.350 reserved for expansion]

8 SUBCHAPTER H. BONDS

9 Sec. 1001.351. GENERAL OBLIGATION BONDS

10 Sec. 1001.352. TAX TO PAY GENERAL OBLIGATION BONDS

11 Sec. 1001.353. GENERAL OBLIGATION BOND ELECTION

12 Sec. 1001.354. EXECUTION OF GENERAL OBLIGATION BONDS

13 Sec. 1001.355. INVESTMENT OF GENERAL OBLIGATION BOND

14 PROCEEDS

15 Sec. 1001.356. REVENUE BONDS

16 Sec. 1001.357. PAYMENT OF REVENUE BONDS; SECURITY

17 Sec. 1001.358. USE OF REVENUE BOND PROCEEDS

18 Sec. 1001.359. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL

19 FACILITY

20 Sec. 1001.360. REFUNDING BONDS

21 Sec. 1001.361. BONDS EXEMPT FROM TAXATION

22 [Sections 1001.362-1001.400 reserved for expansion]

23 SUBCHAPTER I. TAXES

24 Sec. 1001.401. IMPOSITION OF AD VALOREM TAX

25 Sec. 1001.402. DUTY TO IMPOSE TAX

26 Sec. 1001.403. POTTER COUNTY TAX

27 Sec. 1001.404. TAX ASSESSOR-COLLECTOR

1 Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS

2 CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 1001.001. DEFINITIONS. In this chapter:

5 (1) "Board" means the board of hospital managers of  
6 the district.

7 (2) "District" means the City of Amarillo Hospital  
8 District.

9 (3) "Governing body" means the governing body of the  
10 City of Amarillo.

11 (4) "Manager" means a member of the board. (New.)

12 Sec. 1001.002. NATURE OF DISTRICT. (a) The district is:

13 (1) a public entity performing an essential public  
14 function; and

15 (2) a body politic and corporate.

16 (b) The functions of the district are governmental and  
17 public. (Acts 55th Leg., R.S., Ch. 136, Secs. 1 (part), 20 (part).)

18 Sec. 1001.003. DUTY TO NAME DISTRICT. The governing body  
19 shall specify the name of the district. (Acts 55th Leg., R.S., Ch.  
20 136, Sec. 1 (part).)

21 Sec. 1001.004. DISTRICT TERRITORY. The boundaries of the  
22 district are coextensive with the boundaries of the City of  
23 Amarillo unless the district territory is expanded under:

24 (1) Subchapter D; or

25 (2) other law. (Acts 55th Leg., R.S., Ch. 136, Sec. 1  
26 (part).)

27 [Sections 1001.005-1001.050 reserved for expansion]

1                   SUBCHAPTER B. DISTRICT ADMINISTRATION

2           Sec. 1001.051. BOARD; TERM. (a) The board consists of not  
3 fewer than five and not more than seven managers appointed by the  
4 governing body.

5           (b) Managers serve two-year terms unless four-year elected  
6 terms are established under Section 285.081, Health and Safety  
7 Code. The terms may overlap. (Acts 55th Leg., R.S., Ch. 136, Sec.  
8 5, Subsec. a (part).)

9           Sec. 1001.052. MANAGER REMOVAL. By majority vote, the  
10 governing body may remove a manager with or without cause. (Acts  
11 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

12          Sec. 1001.053. OFFICERS. (a) The board shall select from  
13 among the managers a presiding officer.

14          (b) The presiding officer shall preside over the board. A  
15 presiding officer pro tem shall preside in the absence of the  
16 presiding officer.

17          (c) The district administrator or any manager may be  
18 appointed secretary. (Acts 55th Leg., R.S., Ch. 136, Sec. 5,  
19 Subsec. e (part).)

20          Sec. 1001.054. COMPENSATION. A manager serves without  
21 pay. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

22          Sec. 1001.055. RECORDS OF PROCEEDINGS. (a) The secretary  
23 shall keep suitable records of all proceedings of each board  
24 meeting.

25          (b) After each meeting:

26               (1) the presiding officer or the presiding officer pro  
27 tem shall read and sign the record; and

1           (2) the secretary shall attest the record. (Acts 55th  
2 Leg., R.S., Ch. 136, Sec. 5, Subsec. e (part).)

3           Sec. 1001.056. DISTRICT ADMINISTRATOR. (a) The board  
4 shall:

5           (1) appoint a person qualified by training and  
6 experience as district administrator; and

7           (2) determine the administrator's compensation.

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

10          (c) Before assuming the duties of district administrator,  
11 the administrator must execute a bond payable to the district in an  
12 amount of not less than \$10,000 that:

13           (1) is conditioned on the administrator performing  
14 well and faithfully the administrator's required duties; and

15           (2) contains other conditions the board may require.

16 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. b (part).)

17          Sec. 1001.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
18 Subject to the limitations prescribed by the board, the district  
19 administrator shall:

20           (1) perform the duties required by the board;

21           (2) supervise the work and activities of the district;

22 and

23           (3) direct the affairs of the district. (Acts 55th  
24 Leg., R.S., Ch. 136, Sec. 5, Subsec. b (part).)

25          Sec. 1001.058. ASSISTANT ADMINISTRATOR. (a) The board  
26 may designate an assistant administrator to discharge a duty or  
27 function of the district administrator in the event of the

1 administrator's incapacity, absence, or inability to discharge the  
2 duty or function.

3 (b) The assistant administrator shall post the bond  
4 required by board order.

5 (c) The assistant administrator is subject to the  
6 limitations prescribed by board order. (Acts 55th Leg., R.S., Ch.  
7 136, Sec. 7.)

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

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

15 (c) The board may employ legal counsel selected by the board  
16 if the board considers the employment advisable. (Acts 55th Leg.,  
17 R.S., Ch. 136, Sec. 12.)

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

22 (b) The board may delegate to the district administrator the  
23 authority to hire district employees. (Acts 55th Leg., R.S., Ch.  
24 136, Sec. 5, Subsec. c.)

25 Sec. 1001.061. PHYSICIAN QUALIFICATION. The board may use  
26 district money to ensure the initial and continued qualification of  
27 physicians and other personnel. (Acts 55th Leg., R.S., Ch. 136,



1 Sec. 5, Subsec. i.)

2 Sec. 1001.062. HEALTH CARE EDUCATIONAL PROGRAMS. (a) The  
3 board may spend district money, enter into an agreement, or take  
4 other necessary action to conduct, participate in, or assist in  
5 providing health care educational programs for:

6 (1) the public; or

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

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

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

14 (2) cooperative funding of the educational programs.

15 (c) The district may provide services, money, or equipment  
16 and may make district facilities available to West Texas A&M  
17 University or another educational institution for clinical  
18 instruction, research, or degree programs. (Acts 55th Leg., R.S.,  
19 Ch. 136, Sec. 5, Subsec. h; Sec. 5a.)

20 Sec. 1001.063. RETIREMENT PROGRAM. The board may  
21 establish or continue a retirement program for the benefit of the  
22 district's employees or contract with this state or the federal  
23 government for that purpose. (Acts 55th Leg., R.S., Ch. 136, Sec.  
24 5, Subsec. d (part).)

25 Sec. 1001.064. LIABILITY INSURANCE. The board may  
26 purchase insurance to protect the managers from any liability that  
27 results from service on the board. (Acts 55th Leg., R.S., Ch. 136,

1 Sec. 5, Subsec. f.)

2 Sec. 1001.065. SEAL. The board may use a seal engraved  
3 with the district's name to authenticate the acts of the board. The  
4 secretary of the board shall keep the seal. (Acts 55th Leg., R.S.,  
5 Ch. 136, Sec. 5, Subsec. e (part).)

6 [Sections 1001.066-1001.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 1001.101. DISTRICT RESPONSIBILITY. The district has  
9 full responsibility for providing medical and hospital care for the  
10 district's needy and indigent residents. (Acts 55th Leg., R.S.,  
11 Ch. 136, Sec. 13 (part).)

12 Sec. 1001.102. RESTRICTION ON MUNICIPAL OR COUNTY TAXATION.  
13 The City of Amarillo or a county may not impose a tax for hospital  
14 purposes on property within the district. (Acts 55th Leg., R.S.,  
15 Ch. 136, Sec. 13 (part).)

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

19 (b) The Potter County Commissioners Court may participate  
20 in the operation of the district on terms agreed on by the governing  
21 body acting for the board. (Acts 55th Leg., R.S., Ch. 136, Sec. 5,  
22 Subsec. a (part); Sec. 16 (part).)

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

26 (b) The district may provide for the establishment of a  
27 hospital or hospital system to provide medical aid and hospital

1 care to indigent and needy persons residing in the district. (Acts  
2 55th Leg., R.S., Ch. 136, Sec. 1 (part).)

3 Sec. 1001.105. RULES. The board may adopt rules for the  
4 operation of the hospital or hospital system. (Acts 55th Leg.,  
5 R.S., Ch. 136, Sec. 5, Subsec. a (part).)

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

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

10 (2) all accounting and control procedures.

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

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

17 (d) An officer, employee, or agent of the City of Amarillo  
18 shall perform any function or service prescribed by the governing  
19 body under this chapter. (Acts 55th Leg., R.S., Ch. 136, Sec. 6.)

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

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

27 (c) The board may use the pricing methods the board

1 considers advisable, including discount and per diem pricing.

2 (d) The board shall adopt an application procedure  
3 specifying the documentation required to support an application for  
4 assistance. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. g; Sec.  
5 13A.)

6 Sec. 1001.108. DISTRICT PROPERTY, FACILITIES, AND  
7 EQUIPMENT. (a) The district may purchase or lease land inside or  
8 outside the district as required for district purposes.

9 (b) Subject to Subsection (c), the district may sell or  
10 lease land owned by the district at public or private sale.

11 (c) The district may not sell or lease real property until  
12 the governing body determines that:

13 (1) the property is no longer required for district  
14 purposes; or

15 (2) the grantee or lessee will use the property for  
16 hospital purposes or for purposes incidental and necessary to  
17 hospital purposes. (Acts 55th Leg., R.S., Ch. 136, Sec. 9, Subsec.  
18 b.)

19 Sec. 1001.109. EMINENT DOMAIN. (a) The district may  
20 exercise the power of eminent domain to acquire a fee simple or  
21 other interest in any type of property, real, personal, or mixed,  
22 located in district territory if the property interest is necessary  
23 or convenient for the district to exercise a right, power,  
24 privilege, or function conferred by this chapter.

25 (b) The district must exercise the power of eminent domain  
26 in the manner provided by Chapter 21, Property Code, except the  
27 district is not required to deposit in the trial court money or a

1 bond as provided by Section 21.021(a), Property Code.

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

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

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

8 (3) provide a bond for costs or a supersedeas bond on  
9 an appeal or writ of error. (Acts 55th Leg., R.S., Ch. 136, Sec. 9,  
10 Subsec. a.)

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

17 (b) The board may establish a foundation or nonprofit  
18 corporation for the purposes of this section. (Acts 55th Leg.,  
19 R.S., Ch. 136, Sec. 15.)

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

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

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

1 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. d (part).)

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

6 (1) a managed care system;

7 (2) a preferred provider organization;

8 (3) a health maintenance organization;

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

11 (5) a private hospital. (Acts 55th Leg., R.S., Ch.  
12 136, Sec. 18.)

13 Sec. 1001.113. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
14 When a patient from Potter County or the district has been admitted  
15 to a district facility, the district administrator shall have an  
16 inquiry made into the circumstances of:

17 (1) the patient; and

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

20 (b) If the district administrator determines that the  
21 patient or those relatives are liable to pay for all or part of the  
22 costs of the patient's care and treatment, the patient or those  
23 relatives shall be ordered to pay the district a specified amount  
24 for the patient's support.

25 (c) The district administrator may collect the amount from  
26 the patient's estate, or from any relative who is legally liable for  
27 the patient's support, in the manner provided by law for the

1 collection of expenses of the last illness of a deceased person.  
2 (Acts 55th Leg., R.S., Ch. 136, Sec. 14, Subsec. a.)

3 Sec. 1001.114. REIMBURSEMENT FOR SERVICES TO  
4 NONRESIDENTS. (a) The board shall require a county, municipality,  
5 or public hospital located outside the boundaries of the district  
6 to reimburse the district for the district's care and treatment of a  
7 sick or injured person of that county, municipality, or hospital,  
8 as provided by Chapter 61, Health and Safety Code.

9 (b) The board shall require the sheriff or police chief of a  
10 county or municipality to reimburse the district for the district's  
11 care and treatment of a person who is confined in a jail facility of  
12 the county or municipality and is not a resident of the district.  
13 (Acts 55th Leg., R.S., Ch. 136, Sec. 17.)

14 Sec. 1001.115. AUTHORITY TO SUE AND BE SUED. The district,  
15 through the board, may sue and be sued in the name of the district.  
16 (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. a (part).)

17 [Sections 1001.116-1001.150 reserved for expansion]

18 SUBCHAPTER D. CHANGE IN BOUNDARIES

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

23 (b) The petition must be signed by at least 50 registered  
24 voters of the territory or a majority of those voters, whichever is  
25 fewer. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. a.)

26 Sec. 1001.152. NOTICE OF HEARING. (a) The board by order  
27 shall set a time and place to hold a hearing on a petition to include

1 a defined territory in the district.

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

4 (c) The board shall notify the governing body of the  
5 hearing. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. b.)

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

11 (b) The board and the governing body are not required to  
12 include all territory described in the petition if the board and the  
13 governing body find that including only a portion of the territory  
14 is necessary or desirable. (Acts 55th Leg., R.S., Ch. 136, Sec. 19,  
15 Subsec. c.)

16 Sec. 1001.154. RATIFICATION ELECTION. (a) Annexation of  
17 territory is final when approved by a majority of the voters at:

- 18 (1) an election held in the district; and  
19 (2) a separate election held in the territory to be  
20 annexed.

21 (b) The election shall be held not earlier than the 45th day  
22 and not later than the 60th day after the date the election is  
23 ordered.

24 (c) The election may be called by the governing body on its  
25 own motion.

26 (d) The election order must state:

- 27 (1) the nature of the election, including the



1 proposition to appear on the ballot;

2 (2) the date of the election;

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

4 (4) the location of the polling places.

5 (e) The election shall be conducted by the persons  
6 responsible for conducting citywide elections in the City of  
7 Amarillo. The district shall:

8 (1) pay the City of Amarillo for the cost of an  
9 election held under this section; and

10 (2) provide for the payment before the governing body  
11 orders the election.

12 (f) Section 41.001(a), Election Code, does not apply to an  
13 election held under this section. (Acts 55th Leg., R.S., Ch. 136,  
14 Sec. 19, Subsecs. d (part), f, g, i, j, k.)

15 Sec. 1001.155. NOTICE OF RATIFICATION ELECTION. (a) The  
16 governing body shall give notice of an election under Section  
17 1001.154 by publishing once a week for two consecutive weeks a  
18 substantial copy of the election order in a newspaper with general  
19 circulation in:

20 (1) the district; and

21 (2) the territory proposed to be added to the  
22 district.

23 (b) The first publication of the notice must appear at least  
24 35 days before the date of the election. (Acts 55th Leg., R.S., Ch.  
25 136, Sec. 19, Subsec. h.)

26 Sec. 1001.156. ASSUMPTION OF DEBT AND TAXES. If the  
27 district has outstanding debts or taxes, the voters in an election

1 to approve annexation under Section 1001.154 must determine whether  
2 the annexed territory will assume its portion of the debts or taxes  
3 on annexation. (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. d  
4 (part).)

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

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

14 (2) "(Description of territory to be annexed) assuming  
15 its proportionate share of the outstanding debts and taxes of the  
16 City of Amarillo Hospital District, if the territory is added to the  
17 district." (Acts 55th Leg., R.S., Ch. 136, Sec. 19, Subsec. e.)

18 [Sections 1001.158-1001.200 reserved for expansion]

19 SUBCHAPTER E. EXPANSION OF SERVICE

20 INTO RANDALL COUNTY

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

27 (1) the City of Amarillo Hospital District to serve

1 the residents of that designated area of Randall County; and

2 (2) the Randall County Commissioners Court to impose a  
3 tax to support the district at a rate not to exceed 75 cents on each  
4 \$100 valuation of all property in the area.

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

7 (c) Section 41.001(a), Election Code, does not apply to an  
8 election ordered under this section. (Acts 55th Leg., R.S., Ch.  
9 136, Sec. 3B, Subsecs. (a), (f).)

10 Sec. 1001.202. BALLOT. The ballot for an election under  
11 this subchapter shall be printed to permit voting for or against the  
12 proposition: "The assumption by the City of Amarillo Hospital  
13 District of the duty to serve Randall County residents who do not  
14 reside within the boundaries of the City of Amarillo or the South  
15 Randall County Hospital District, and the imposition of annual  
16 taxes to support the Amarillo Hospital District at a rate not to  
17 exceed 75 cents on each \$100 valuation of taxable property in the  
18 proposed area to be served." (Acts 55th Leg., R.S., Ch. 136, Sec.  
19 3B, Subsec. (b).)

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

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

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

26 (B) the responsibility of Randall County to  
27 provide medical and hospital care to the indigent and needy

1 inhabitants of that area; and

2 (2) the Randall County Commissioners Court shall  
3 impose a tax sufficient to pay the costs, as determined by the  
4 board, of providing medical and hospital care to the indigent and  
5 needy residents of that area. (Acts 55th Leg., R.S., Ch. 136, Sec.  
6 3B, Subsec. (c) (part).)

7 Sec. 1001.204. TAXES. A tax imposed by the Randall County  
8 Commissioners Court under this subchapter may not exceed 75 cents  
9 on each \$100 valuation of all property in Randall County that is not  
10 within the boundaries of the City of Amarillo or the South Randall  
11 County Hospital District. (Acts 55th Leg., R.S., Ch. 136; Sec. 3B,  
12 Subsec. (c) (part).)

13 Sec. 1001.205. PARTICIPATION IN OPERATION OF  
14 DISTRICT. The Randall County Commissioners Court and the  
15 governing body, acting for the board, may agree on terms under which  
16 the commissioners court may participate in the operation of the  
17 district. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. (d).)

18 Sec. 1001.206. CUMULATIVE EFFECT. This subchapter and  
19 Subchapter F are cumulative of any other law establishing the  
20 manner in which Randall County, or any portion of Randall County,  
21 may participate in, be annexed to, or otherwise be served by the  
22 district. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. g.)

23 [Sections 1001.207-1001.250 reserved for expansion]

24 SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY  
25 TERRITORY

26 Sec. 1001.251. ELECTION ON DISCONTINUATION OF  
27 SERVICE. (a) On presentation of a petition for a discontinuation

1 election signed by at least five percent of the qualified voters of  
2 the area receiving services under Subchapter E, the Randall County  
3 Commissioners Court shall call an election to discontinue:

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

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

8 (c) Section 41.001(a), Election Code, does not apply to an  
9 election ordered under this section. (Acts 55th Leg., R.S., Ch.  
10 136, Sec. 3B, Subsecs. (e) (part), (f) (part).)

11 Sec. 1001.252. BALLOT. The ballot for an election under  
12 this subchapter shall be printed to provide for voting for or  
13 against the proposition: "Discontinuation by the City of Amarillo  
14 Hospital District of the duty to provide services and  
15 discontinuation of the imposition of taxes to support the  
16 district." (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec. (e)  
17 (part).)

18 Sec. 1001.253. ELECTION RESULTS. If a majority of the  
19 votes in an election favor the proposition to discontinue service  
20 under this subchapter, the district is relieved of the duty to  
21 provide medical and hospital care to the indigent and needy  
22 residents of the area receiving services in Randall County and  
23 shall cease providing the services. (Acts 55th Leg., R.S., Ch. 136,  
24 Sec. 3B, Subsec. (e) (part).)

25 Sec. 1001.254. TAXES. The district is entitled to receive  
26 taxes from the area in which services are discontinued under this  
27 subchapter in an amount sufficient to pay expenses incurred by the

1 district in serving the area residents before the date services  
2 were discontinued. (Acts 55th Leg., R.S., Ch. 136, Sec. 3B, Subsec.  
3 (e) (part).)

4 [Sections 1001.255-1001.300 reserved for expansion]

5 SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

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

8 (b) The governing body and the board shall:

9 (1) provide in each annual budget for the payment of  
10 all operation and maintenance expenses of the district; and

11 (2) consider the estimated excess revenues and income  
12 from hospital facilities available for paying the operation and  
13 maintenance expenses after providing for the principal, interest,  
14 and reserve requirements of revenue bonds issued for the district.

15 (c) The budget must be approved by the board and presented  
16 to the governing body for final approval.

17 (d) The governing body must approve all budget revisions.  
18 (Acts 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (g) (part); Sec. 8  
19 (part).)

20 Sec. 1001.302. FINANCIAL REPORT. (a) As soon as  
21 practicable after the close of each fiscal year, the district  
22 administrator shall prepare a report that includes:

23 (1) a complete sworn statement of:

24 (A) all money and choses in action received by  
25 the administrator; and

26 (B) how the money and choses in action were  
27 disbursed or otherwise disposed; and

1           (2) the details of district operation during the  
2 preceding fiscal year.

3           (b) The district administrator shall make the report to:

4                 (1) the board;

5                 (2) the governing body;

6                 (3) the Potter County Commissioners Court;

7                 (4) the Texas Board of Health; and

8                 (5) the comptroller. (Acts 55th Leg., R.S., Ch. 136,  
9 Sec. 8 (part).)

10           Sec. 1001.303. DEPOSITORY. (a) The board shall select  
11 one or more depositories for the district in the manner provided by  
12 law for the selection of a county depository.

13           (b) A depository selected by the board shall be the  
14 depository of the district until one or more successors are  
15 selected and qualified.

16           (c) All income received by the district, including tax  
17 revenue after deducting discounts and fees for assessing and  
18 collecting the taxes, shall be deposited with the hospital  
19 depository and may be withdrawn only as provided by this chapter.  
20 (Acts 55th Leg., R.S., Ch. 136, Sec. 2, Subsec. b (part); Sec. 10.)

21           [Sections 1001.304-1001.350 reserved for expansion]

22                                 SUBCHAPTER H. BONDS

23           Sec. 1001.351. GENERAL OBLIGATION BONDS. The governing  
24 body may issue and sell general obligation bonds in the name and on  
25 the faith and credit of the district to purchase, construct,  
26 acquire, equip, or enlarge the hospital or hospital system. (Acts  
27 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)

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

6           (b) The tax required by this section together with any other  
7 tax the district imposes in any year may not exceed 75 cents on each  
8 \$100 valuation of all taxable property in the district. (Acts 55th  
9 Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)

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

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

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

19          (d) The district shall pay the cost of a bond election. The  
20 district must provide for the payment of election costs before the  
21 governing body is required to order an election. (Acts 55th Leg.,  
22 R.S., Ch. 136, Sec. 3, Subsec. a (part).)

23          Sec. 1001.354. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
24 The mayor of the City of Amarillo shall execute the general  
25 obligation bonds in the district's name.

26          (b) The city secretary shall countersign the bonds. (Acts  
27 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. a (part).)



1           Sec. 1001.355. INVESTMENT OF GENERAL OBLIGATION BOND  
2 PROCEEDS. Proceeds from the sale of general obligation bonds may  
3 be invested in direct obligations of the United States government.  
4 (Acts 55th Leg., R.S., Ch. 136, Sec. 3, Subsec. e.)

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

7                   (1) purchase, construct, acquire, repair, renovate,  
8 improve, enlarge, or equip hospital facilities; or

9                   (2) acquire real or personal property for use in  
10 connection with the hospital facilities.

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

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

16           (d) Under the terms prescribed in an ordinance authorizing  
17 the issuance of revenue bonds, the governing body may provide for  
18 the subsequent issuance of additional parity bonds, subordinate  
19 lien bonds, or other types of bonds. (Acts 55th Leg., R.S., Ch.  
20 136, Sec. 3A, Subsecs. (a), (d), (e).)

21           Sec. 1001.357. PAYMENT OF REVENUE BONDS; SECURITY. (a) The  
22 governing body may:

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

27                   (2) pledge to the payment of revenue bonds all or any

1 part of a grant, donation, or income received or to be received from  
2 the United States or any other public or private source.

3 (b) The bonds may be additionally secured by a mortgage or  
4 deed of trust on any real property on which a district hospital  
5 facility is or will be located and any real or personal property  
6 incident or appurtenant to the facility. The governing body may  
7 authorize the execution and delivery of a trust indenture,  
8 mortgage, deed of trust, or other form of encumbrance to evidence  
9 the security interest. (Acts 55th Leg., R.S., Ch. 136, Sec. 3A,  
10 Subsecs. (b), (c).)

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

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

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

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

22 (b) The proceeds of the bonds may be invested until needed  
23 to the extent and in the manner provided by the bond ordinance.  
24 (Acts 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (f) (part).)

25 Sec. 1001.359. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL  
26 FACILITY. The governing body and the board shall establish and  
27 collect charges for the occupancy or use of a hospital facility and

1 for related services in the amounts and manner determined by the  
2 board. The charges shall be set and collected in amounts at least  
3 sufficient with any other pledged resources to:

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

7 (2) to the extent required by the bond ordinance, pay  
8 all or any part of the operation, maintenance, and other expenses of  
9 the hospital facility. (Acts 55th Leg., R.S., Ch. 136, Sec. 3A,  
10 Subsec. (g) (part).)

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

14 (b) Refunding bonds may be:

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

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

20 (c) The refunding bonds must mature not later than 40 years  
21 after the date of issuance. (Acts 55th Leg., R.S., Ch. 136, Sec. 3,  
22 Subsecs. a (part), b.)

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

26 (1) bonds issued by the district;

27 (2) a transaction relating to the bonds; and

1 (3) profits made in the sale of the bonds. (Acts 55th  
2 Leg., R.S., Ch. 136, Sec. 20 (part).)

3 [Sections 1001.362-1001.400 reserved for expansion]

4 SUBCHAPTER I. TAXES

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

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

12 (c) The tax may be used to:

13 (1) pay the interest on and create a sinking fund for  
14 bonds assumed or issued by the district for hospital purposes as  
15 provided by this chapter;

16 (2) provide for the operation and maintenance of the  
17 hospital or hospital system; and

18 (3) when requested by the board and approved by the  
19 governing body, make improvements and additions to the hospital  
20 system and acquire necessary sites by purchase, lease, or  
21 condemnation. (Acts 55th Leg., R.S., Ch. 136, Sec. 2, Subsecs. a, b  
22 (part); Sec. 3A, Subsec. (g) (part).)

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

27 (b) If the annual ad valorem tax is pledged, the governing

1 body shall, during each year during which the bonds are  
2 outstanding, compute a tax rate sufficient to pay the operation and  
3 maintenance expenses. The tax rate shall be based on the most  
4 recent certified appraisal roll of the district.

5 (c) The ad valorem tax shall be imposed on all taxable  
6 property in the district for each year the bonds are outstanding.  
7 The tax shall be assessed and collected each year and used for the  
8 purpose prescribed by this section to the extent required. (Acts  
9 55th Leg., R.S., Ch. 136, Sec. 3A, Subsec. (g) (part).)

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

14 (b) The tax may not exceed 10 cents on each \$100 valuation of  
15 all taxable property described by Subsection (a). (Acts 55th Leg.,  
16 R.S., Ch. 136, Sec. 16 (part).)

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

21 (b) From payments to the district, the tax assessor and  
22 collector shall deduct fees for assessing and collecting the tax.  
23 The fee may not exceed 1-1/2 percent of the amount collected as  
24 determined by the governing body. The collected fees shall be  
25 deposited in the City of Amarillo's general fund. (Acts 55th Leg.,  
26 R.S., Ch. 136, Sec. 2, Subsec. b (part).)

27 Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS.

1 Interest, penalties, and discounts on taxes paid to the district  
2 shall be the same as those on taxes paid to the city. (Acts 55th  
3 Leg., R.S., Ch. 136, Sec. 2, Subsec. b (part).)

4 CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 1004.001. DEFINITIONS

7 Sec. 1004.002. AUTHORITY FOR OPERATION

8 Sec. 1004.003. ESSENTIAL PUBLIC FUNCTION

9 Sec. 1004.004. DISTRICT TERRITORY

10 Sec. 1004.005. DISTRICT SUPPORT AND MAINTENANCE NOT

11 STATE OBLIGATION

12 Sec. 1004.006. RESTRICTION ON STATE FINANCIAL

13 ASSISTANCE

14 [Sections 1004.007-1004.050 reserved for expansion]

15 SUBCHAPTER B. DISTRICT ADMINISTRATION

16 Sec. 1004.051. BOARD

17 Sec. 1004.052. TERMS; ELECTION

18 Sec. 1004.053. QUALIFICATIONS FOR OFFICE

19 Sec. 1004.054. DIRECTOR'S BOND

20 Sec. 1004.055. BOARD VACANCY

21 Sec. 1004.056. OFFICERS

22 Sec. 1004.057. COMPENSATION; REIMBURSEMENT

23 Sec. 1004.058. VOTING REQUIREMENT

24 Sec. 1004.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S

25 BOND

26 Sec. 1004.060. GENERAL DUTIES OF DISTRICT

27 ADMINISTRATOR

- 1 Sec. 1004.061. ASSISTANT DISTRICT ADMINISTRATOR;
- 2 ATTORNEY
- 3 Sec. 1004.062. EMPLOYEES
- 4 Sec. 1004.063. RECRUITMENT OF MEDICAL STAFF AND
- 5 EMPLOYEES
- 6 Sec. 1004.064. APPOINTMENT AND REMOVAL OF MEDICAL
- 7 STAFF
- 8 Sec. 1004.065. RETIREMENT BENEFITS
- 9 [Sections 1004.066-1004.100 reserved for expansion]
- 10 SUBCHAPTER C. POWERS AND DUTIES
- 11 Sec. 1004.101. DISTRICT RESPONSIBILITY
- 12 Sec. 1004.102. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 13 Sec. 1004.103. RULES
- 14 Sec. 1004.104. PURCHASING AND ACCOUNTING PROCEDURES
- 15 Sec. 1004.105. PROVISION OF CERTAIN HEALTH SERVICES
- 16 Sec. 1004.106. DISTRICT PROPERTY, FACILITIES, AND
- 17 EQUIPMENT
- 18 Sec. 1004.107. OPERATING AND MANAGEMENT CONTRACTS
- 19 Sec. 1004.108. SERVICE CONTRACTS
- 20 Sec. 1004.109. EMINENT DOMAIN
- 21 Sec. 1004.110. COST OF RELOCATING OR ALTERING PROPERTY
- 22 Sec. 1004.111. GIFTS AND ENDOWMENTS
- 23 Sec. 1004.112. PAYMENT FOR TREATMENT; PROCEDURES
- 24 Sec. 1004.113. REIMBURSEMENT FOR SERVICES
- 25 Sec. 1004.114. NONPROFIT CORPORATION
- 26 Sec. 1004.115. AUTHORITY TO SUE AND BE SUED
- 27 Sec. 1004.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN

1 CONSTRUCTION CONTRACTS

2 [Sections 1004.117-1004.150 reserved for expansion]

3 SUBCHAPTER D. DISSOLUTION

4 Sec. 1004.151. DISSOLUTION; ELECTION

5 Sec. 1004.152. NOTICE OF ELECTION

6 Sec. 1004.153. BALLOT

7 Sec. 1004.154. ELECTION RESULTS

8 Sec. 1004.155. TRANSFER OR ADMINISTRATION OF ASSETS

9 Sec. 1004.156. IMPOSITION OF TAX AND RETURN OF SURPLUS

10 TAXES

11 Sec. 1004.157. REPORT; DISSOLUTION ORDER

12 [Sections 1004.158-1004.200 reserved for expansion]

13 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

14 Sec. 1004.201. BUDGET

15 Sec. 1004.202. NOTICE; HEARING; ADOPTION OF BUDGET

16 Sec. 1004.203. AMENDMENT OF BUDGET

17 Sec. 1004.204. FISCAL YEAR

18 Sec. 1004.205. ANNUAL AUDIT

19 Sec. 1004.206. INSPECTION OF ANNUAL AUDIT AND DISTRICT

20 RECORDS

21 Sec. 1004.207. FINANCIAL REPORT

22 Sec. 1004.208. SHORT-TERM FINANCING

23 Sec. 1004.209. DEBT LIMITATION

24 Sec. 1004.210. DEPOSITORY

25 Sec. 1004.211. RESTRICTION ON INVESTMENT

26 [Sections 1004.212-1004.250 reserved for expansion]



1 SUBCHAPTER F. BONDS

- 2 Sec. 1004.251. GENERAL OBLIGATION BONDS
- 3 Sec. 1004.252. TAX TO PAY GENERAL OBLIGATION BONDS
- 4 Sec. 1004.253. GENERAL OBLIGATION BOND ELECTION
- 5 Sec. 1004.254. REVENUE BONDS
- 6 Sec. 1004.255. MATURITY
- 7 Sec. 1004.256. EXECUTION OF BONDS
- 8 Sec. 1004.257. BONDS NOT SUBJECT TO TAXATION

9 [Sections 1004.258-1004.300 reserved for expansion]

10 SUBCHAPTER G. AD VALOREM TAX

- 11 Sec. 1004.301. IMPOSITION OF AD VALOREM TAX
- 12 Sec. 1004.302. TAX RATE
- 13 Sec. 1004.303. ELECTION TO INCREASE MAXIMUM TAX RATE
- 14 Sec. 1004.304. NOTICE OF ELECTION
- 15 Sec. 1004.305. BALLOT
- 16 Sec. 1004.306. TAX ASSESSOR-COLLECTOR

17 CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 1004.001. DEFINITIONS. In this chapter:

- 20 (1) "Board" means the board of directors of the
- 21 district.
- 22 (2) "Director" means a member of the board.
- 23 (3) "District" means the Ballinger Memorial Hospital
- 24 District. (Acts 70th Leg., R.S., Ch. 137, Sec. 1.01.)

25 Sec. 1004.002. AUTHORITY FOR OPERATION. The Ballinger

26 Memorial Hospital District operates and is financed as provided by

27 Section 9, Article IX, Texas Constitution, and by this chapter.

1 (Acts 70th Leg., R.S., Ch. 137, Sec. 1.02.)

2 Sec. 1004.003. ESSENTIAL PUBLIC FUNCTION. The district is  
3 a public entity performing an essential public function. (Acts  
4 70th Leg., R.S., Ch. 137, Sec. 7.11 (part).)

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

9 Sec. 1004.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
10 OBLIGATION. The state may not be obligated for the support or  
11 maintenance of the district. (Acts 70th Leg., R.S., Ch. 137, Sec.  
12 9.01 (part).)

13 Sec. 1004.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
14 The legislature may not make a direct appropriation for the  
15 construction, maintenance, or improvement of a district facility.  
16 (Acts 70th Leg., R.S., Ch. 137, Sec. 9.01 (part).)

17 [Sections 1004.007-1004.050 reserved for expansion]

18 SUBCHAPTER B. DISTRICT ADMINISTRATION

19 Sec. 1004.051. BOARD. The district is governed by a board  
20 of seven directors. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.01(a).)

21 Sec. 1004.052. TERMS; ELECTION. (a) Directors are elected  
22 from the district at large.

23 (b) Unless a four-year term is established under Section  
24 285.081, Health and Safety Code:

25 (1) directors serve staggered two-year terms; and

26 (2) a directors' election shall be held on the first  
27 Saturday in May of each year to elect the appropriate number of

1 directors.

2 (c) Notice of the directors' election shall be published at  
3 least once in a newspaper with general circulation in the district  
4 in accordance with Section 4.003(a), Election Code. (Acts 70th  
5 Leg., R.S., Ch. 137, Secs. 4.03(a), (c) (part), 4.04.)

6 Sec. 1004.053. QUALIFICATIONS FOR OFFICE. (a) To be a  
7 candidate for or to serve as a director, a person must be:

- 8 (1) a resident of the district; and  
9 (2) a qualified voter.

10 (b) An employee of the district may not serve as a director.  
11 (Acts 70th Leg., R.S., Ch. 137, Sec. 4.06.)

12 Sec. 1004.054. DIRECTOR'S BOND. (a) Before assuming the  
13 duties of office, each director must execute a bond in the amount of  
14 \$5,000 payable to the district and conditioned on the faithful  
15 performance of the director's duties.

16 (b) The bond shall be kept in the permanent records of the  
17 district.

18 (c) The board may pay for a director's bond with district  
19 money. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.07.)

20 Sec. 1004.055. BOARD VACANCY. If a vacancy occurs in the  
21 office of director, the remaining directors shall appoint a  
22 director for the remainder of the unexpired term. (Acts 70th Leg.,  
23 R.S., Ch. 137, Sec. 4.08.)

24 Sec. 1004.056. OFFICERS. (a) The board shall elect a  
25 president and a vice president from among the directors.

26 (b) The board shall appoint a secretary, who need not be a  
27 director.

1 (c) Each officer of the board serves a one-year term.

2 (d) The board shall fill a vacancy in a board office for the  
3 remainder of the unexpired term. (Acts 70th Leg., R.S., Ch. 137,  
4 Secs. 4.09, 4.10.)

5 Sec. 1004.057. COMPENSATION; REIMBURSEMENT. A director or  
6 officer serves without compensation but may be reimbursed for  
7 actual expenses incurred in the performance of official duties.  
8 The expenses must be:

9 (1) reported in the district's records; and

10 (2) approved by the board. (Acts 70th Leg., R.S., Ch.  
11 137, Sec. 4.11.)

12 Sec. 1004.058. VOTING REQUIREMENT. A concurrence of a  
13 majority of the directors voting is necessary in matters relating  
14 to district business. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.12.)

15 Sec. 1004.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S  
16 BOND. (a) The board may appoint a qualified person as district  
17 administrator.

18 (b) The district administrator serves at the will of the  
19 board.

20 (c) The district administrator is entitled to compensation  
21 determined by the board.

22 (d) Before assuming the duties of district administrator,  
23 the administrator must execute a bond payable to the district in an  
24 amount not less than \$5,000, as determined by the board,  
25 conditioned on the faithful performance of the administrator's  
26 duties.

27 (e) The board may pay for the bond with district money.

1 (Acts 70th Leg., R.S., Ch. 137, Secs. 4.13(a) (part), (b) (part),  
2 (c) (part), (d).)

3 Sec. 1004.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
4 Subject to the limitations prescribed by the board, the district  
5 administrator shall:

6 (1) supervise the work and activities of the district;  
7 and

8 (2) direct the general affairs of the district. (Acts  
9 70th Leg., R.S., Ch. 137, Sec. 4.16.)

10 Sec. 1004.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

11 (a) The board may appoint qualified persons as assistant district  
12 administrator and attorney for the district.

13 (b) The assistant district administrator and attorney for  
14 the district serve at the will of the board.

15 (c) The assistant district administrator and attorney for  
16 the district are entitled to compensation determined by the board.  
17 (Acts 70th Leg., R.S., Ch. 137, Secs. 4.13(a) (part), (b) (part),  
18 (c) (part).)

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

22 (b) The board may delegate to the district administrator the  
23 authority to employ persons for the district. (Acts 70th Leg.,  
24 R.S., Ch. 137, Sec. 4.15.)

25 Sec. 1004.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.  
26 The board may spend district money, enter into agreements, and take  
27 other necessary action to recruit physicians and other persons to

1 serve as medical staff members or district employees. The actions  
2 may include:

3 (1) advertising and marketing;

4 (2) paying travel, recruitment, and relocation  
5 expenses;

6 (3) providing a loan or scholarship to a physician or a  
7 person currently enrolled in health care education courses at an  
8 institution of higher education who contracts to become a medical  
9 staff member or district employee; or

10 (4) contracting with a full-time medical student or  
11 other student in a health occupation who is enrolled in and in good  
12 standing at an accredited medical school, college, or university to  
13 pay the student's tuition or other expenses for the consideration  
14 of the student agreeing to serve as an employee or independent  
15 contractor for the district. (Acts 70th Leg., R.S., Ch. 137, Secs.  
16 4.18, 5.05(c).)

17 Sec. 1004.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF.

18 The board may:

19 (1) appoint to the medical staff any doctor the board  
20 considers necessary for the efficient operation of the district;

21 (2) remove any doctor from the medical staff, after  
22 due process, if the board considers the doctor's removal necessary  
23 for the efficient operation of the district; and

24 (3) make temporary appointments to the medical staff  
25 as the board considers necessary. (Acts 70th Leg., R.S., Ch. 137,  
26 Sec. 4.14.)

27 Sec. 1004.065. RETIREMENT BENEFITS. The board may provide

1 retirement benefits for district employees by:

2 (1) establishing or administering a retirement  
3 program; or

4 (2) participating in:

5 (A) the Texas County and District Retirement  
6 System; or

7 (B) another statewide retirement system in which  
8 the district is eligible to participate. (Acts 70th Leg., R.S., Ch.  
9 137, Sec. 4.17.)

10 [Sections 1004.066-1004.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 1004.101. DISTRICT RESPONSIBILITY. The district has  
13 full responsibility for operating hospital facilities and  
14 providing medical and hospital care for the district's needy  
15 residents. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.02 (part).)

16 Sec. 1004.102. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
17 The board shall manage, control, and administer the hospital system  
18 and the money and resources of the district. (Acts 70th Leg., R.S.,  
19 Ch. 137, Sec. 5.03.)

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

21 (1) the operation of the hospital and hospital system;  
22 and

23 (2) the duties, functions, and responsibilities of  
24 district staff and employees. (Acts 70th Leg., R.S., Ch. 137, Sec.  
25 5.04.)

26 Sec. 1004.104. PURCHASING AND ACCOUNTING PROCEDURES. The  
27 board may prescribe:

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

3           (2) accounting and control procedures for the  
4 district. (Acts 70th Leg., R.S., Ch. 137, Secs. 5.05(a), (b).)

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

8           (b) The district may operate or provide for home health  
9 services, long-term care, skilled nursing care, intermediate  
10 nursing care, or hospice care. (Acts 70th Leg., R.S., Ch. 137, Sec.  
11 5.02 (part).)

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

14           (1) the type, number, and location of buildings  
15 required to maintain an adequate hospital system; and

16           (2) the type of equipment necessary for hospital care.

17           (b) The board may:

18           (1) acquire property, facilities, and equipment for  
19 the district for use in the hospital system;

20           (2) mortgage or pledge the property, facilities, or  
21 equipment as security for payment of the purchase price;

22           (3) sell or otherwise dispose of property, facilities,  
23 or equipment for the district; or

24           (4) lease hospital facilities for the district. (Acts  
25 70th Leg., R.S., Ch. 137, Sec. 5.06.)

26           Sec. 1004.107. OPERATING AND MANAGEMENT CONTRACTS. The  
27 board may enter into operating or management contracts relating to



1 hospital facilities for the district. (Acts 70th Leg., R.S., Ch.  
2 137, Sec. 5.08.)

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

9       (b) The board may contract with a person to receive or  
10 supply the services the board considers necessary for the effective  
11 operation of the district. (Acts 70th Leg., R.S., Ch. 137, Sec.  
12 5.13.)

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

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

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

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

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

1           (3) provide a bond for costs or a supersedeas bond on  
2 an appeal or writ of error. (Acts 70th Leg., R.S., Ch. 137, Sec.  
3 5.09.)

4           Sec. 1004.110. COST OF RELOCATING OR ALTERING PROPERTY. In  
5 exercising the power of eminent domain, if the board requires  
6 relocating, raising, lowering, rerouting, changing the grade, or  
7 altering the construction of any railroad, highway, pipeline, or  
8 electric transmission and electric distribution, telegraph, or  
9 telephone line, conduit, pole, or facility, the district shall pay  
10 the actual cost of that activity to provide a comparable  
11 replacement, without enhancement of facilities, after deducting  
12 the net salvage value derived from the old facility. (Acts 70th  
13 Leg., R.S., Ch. 137, Sec. 5.10.)

14           Sec. 1004.111. GIFTS AND ENDOWMENTS. The board may accept  
15 for the district a gift or endowment to be held in trust for any  
16 purpose and under any direction, limitation, or provision in  
17 writing by the donor that is consistent with the proper management  
18 of the district. (Acts 70th Leg., R.S., Ch. 137, Sec. 5.14.)

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

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

26           (b) To the extent that the patient or a relative of the  
27 patient who is legally responsible for the patient's support cannot

1 pay for care and treatment provided by the district, the district  
2 shall supply the care and treatment without charging the patient or  
3 the patient's relative.

4 (c) On determining that the patient or a relative legally  
5 responsible for the patient's support can pay for all or part of the  
6 care and treatment provided by the district, the district  
7 administrator shall report that determination to the board, and the  
8 board shall issue an order directing the patient or the relative to  
9 pay the district a specified amount each week. The amount must be  
10 based on the person's ability to pay.

11 (d) The district administrator may collect money owed to the  
12 district from the patient's estate or from that of a relative  
13 legally responsible for the patient's support in the manner  
14 provided by law for the collection of expenses in the last illness  
15 of a deceased person.

16 (e) If there is a dispute relating to a person's ability to  
17 pay or if the district administrator has any doubt concerning a  
18 person's ability to pay, the board shall call witnesses, hear and  
19 resolve the question, and issue a final order. The order may be  
20 appealed to a district court in the county in which the district is  
21 located. The substantial evidence rule applies to an appeal under  
22 this subsection. (Acts 70th Leg., R.S., Ch. 137, Secs. 5.11(b),  
23 (c), (d), (e), (f).)

24 Sec. 1004.113. REIMBURSEMENT FOR SERVICES. (a) The board  
25 shall require a county, municipality, or public hospital located  
26 outside of the district to reimburse the district for the  
27 district's care and treatment of a sick or injured person of that

1 county, municipality, or hospital, as provided by Chapter 61,  
2 Health and Safety Code.

3 (b) The board shall require the sheriff of Runnels County to  
4 reimburse the district for the district's care and treatment of a  
5 person who is confined in a jail facility of Runnels County and is  
6 not a resident of the district.

7 (c) On behalf of the district, the board may contract with  
8 the state or federal government for that government to reimburse  
9 the district for treatment of a sick or injured person. (Acts 70th  
10 Leg., R.S., Ch. 137, Sec. 5.12.)

11 Sec. 1004.114. NONPROFIT CORPORATION. (a) The district  
12 may create and sponsor a nonprofit corporation under the Business  
13 Organizations Code and may contribute money to or solicit money for  
14 the corporation.

15 (a-1) On or before December 31, 2009, the district may  
16 create and sponsor a nonprofit corporation under the Texas  
17 Non-Profit Corporation Act (Article 1396-1.01, et seq., Vernon's  
18 Texas Civil Statutes) or the Business Organizations Code, as  
19 applicable, and may contribute money to or solicit money for the  
20 corporation.

21 (b) A corporation created under this section may use money  
22 contributed by the district only to provide health care or other  
23 services the district is authorized to provide under this chapter.

24 (c) The corporation may invest the corporation's money in  
25 any manner in which the district may invest the district's money,  
26 including investing money as authorized by Chapter 2256, Government  
27 Code.

1 (d) The board shall establish controls to ensure that the  
2 corporation uses its money as required by this section.

3 (e) This subsection and Subsection (a-1) expire December  
4 31, 2009. (Acts 70th Leg., R.S., Ch. 137, Sec. 4.19.)

5 Sec. 1004.115. AUTHORITY TO SUE AND BE SUED. The board may  
6 sue and be sued on behalf of the district. (Acts 70th Leg., R.S.,  
7 Ch. 137, Sec. 5.15.)

8 Sec. 1004.116. CONSTRUCTION CONTRACTS; ADVERTISING FOR  
9 CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a  
10 construction contract on the district's behalf.

11 (b) The board may enter into a construction contract only  
12 after competitive bidding as provided by Subchapter B, Chapter 271,  
13 Local Government Code, if the amount of the contract is greater than  
14 the amount provided by Section 271.024 of that code. (Acts 70th  
15 Leg., R.S., Ch. 137, Sec. 5.07(a).)

16 [Sections 1004.117-1004.150 reserved for expansion]

17 SUBCHAPTER D. DISSOLUTION

18 Sec. 1004.151. DISSOLUTION; ELECTION. (a) The district  
19 may be dissolved only on approval of a majority of the voters voting  
20 in an election held for that purpose.

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

24 (c) The board shall order an election if the board receives  
25 a petition requesting an election that is signed by at least 15  
26 percent of the district's registered voters.

27 (d) The election shall be held not later than the 60th day

1 after the date the election is ordered.

2 (e) The order calling the election must state:

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

5 (2) the date of the election;

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

7 (4) the location of the polling places.

8 (f) Section 41.001, Election Code, does not apply to an  
9 election ordered under this section. (Acts 70th Leg., R.S., Ch.  
10 137, Secs. 11.01, 11.02, 11.03.)

11 Sec. 1004.152. NOTICE OF ELECTION. (a) The board shall  
12 give notice of an election under this subchapter by publishing a  
13 substantial copy of the election order in a newspaper with general  
14 circulation in the district once a week for two consecutive weeks.

15 (b) The first publication must appear not later than the  
16 35th day before the date set for the election. (Acts 70th Leg.,  
17 R.S., Ch. 137, Sec. 11.04.)

18 Sec. 1004.153. BALLOT. The ballot for an election under  
19 this subchapter must be printed to permit voting for or against the  
20 proposition: "The dissolution of the Ballinger Memorial Hospital  
21 District." (Acts 70th Leg., R.S., Ch. 137, Sec. 11.05.)

22 Sec. 1004.154. ELECTION RESULTS. (a) If a majority of the  
23 votes in an election under this subchapter favor dissolution, the  
24 board shall order that the district be dissolved.

25 (b) If a majority of the votes in an election under this  
26 subchapter do not favor dissolution, the board shall continue to  
27 administer the district, and another election on the question of

1 dissolution may not be held before the first anniversary of the date  
2 of the most recent election to dissolve the district. (Acts 70th  
3 Leg., R.S., Ch. 137, Sec. 11.06.)

4 Sec. 1004.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
5 If a majority of the votes in an election under this subchapter  
6 favor dissolution, the board shall:

7 (1) transfer the land, buildings, improvements,  
8 equipment, and other assets belonging to the district to Runnels  
9 County or another governmental entity in Runnels County; or

10 (2) administer the property, assets, and debts of the  
11 district until all money has been disposed of and all district debts  
12 have been paid or settled.

13 (b) If the district makes a transfer under Subsection  
14 (a)(1), the county or governmental entity assumes all debts and  
15 obligations of the district at the time of the transfer. The  
16 district is dissolved at the time of the transfer.

17 (c) If the district administers the property, assets, and  
18 debts of the district under Subsection (a)(2), the district is  
19 dissolved when all money has been disposed of and all district debts  
20 have been paid or settled. (Acts 70th Leg., R.S., Ch. 137, Secs.  
21 11.07, 11.08(a).)

22 Sec. 1004.156. IMPOSITION OF TAX AND RETURN OF SURPLUS  
23 TAXES. (a) After the board determines that the district is  
24 dissolved, the board shall:

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

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

1 value.

2 (b) On the payment of all outstanding debts and obligations  
3 of the district, the board shall order the secretary to return to  
4 each district taxpayer the taxpayer's pro rata share of all unused  
5 tax money.

6 (c) A taxpayer may request that the taxpayer's share of  
7 surplus tax money be credited to the taxpayer's county taxes. If a  
8 taxpayer requests the credit, the board shall direct the secretary  
9 to transmit the funds to the county tax assessor-collector. (Acts  
10 70th Leg., R.S., Ch. 137, Secs. 11.08(b), 11.09.)

11 Sec. 1004.157. REPORT; DISSOLUTION ORDER. (a) After the  
12 district has paid all its debts and has disposed of all its money  
13 and other assets as prescribed by this subchapter, the board shall  
14 file a written report with the Commissioners Court of Runnels  
15 County summarizing the board's actions in dissolving the district.

16 (b) Not later than the 10th day after the date the  
17 Commissioners Court of Runnels County receives the report and  
18 determines that the requirements of this subchapter have been  
19 fulfilled, the commissioners court shall enter an order dissolving  
20 the district and releasing the board from any further duty or  
21 obligation. (Acts 70th Leg., R.S., Ch. 137, Sec. 11.10.)

22 [Sections 1004.158-1004.200 reserved for expansion]

23 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

24 Sec. 1004.201. BUDGET. (a) The district administrator  
25 shall prepare a proposed annual budget for the district.

26 (b) The proposed budget must contain a complete financial  
27 statement, including a statement of:



- 1 (1) the outstanding obligations of the district;
- 2 (2) the amount of cash on hand to the credit of each  
3 fund of the district;
- 4 (3) the amount of money received by the district from  
5 all sources during the previous year;
- 6 (4) the amount of money available to the district from  
7 all sources during the ensuing year;
- 8 (5) the amount of the balances expected at the end of  
9 the year in which the budget is being prepared;
- 10 (6) the estimated amount of revenues and balances  
11 available to cover the proposed budget; and
- 12 (7) the estimated tax rate required. (Acts 70th Leg.,  
13 R.S., Ch. 137, Sec. 6.04.)

14 Sec. 1004.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
15 The board shall hold a public hearing on the proposed budget.

16 (b) The board shall publish notice of the hearing in a  
17 newspaper with general circulation in the district not later than  
18 the 10th day before the date of the hearing.

19 (c) Any district resident is entitled to be present and  
20 participate at the hearing.

21 (d) At the conclusion of the hearing, the board shall adopt  
22 a budget by acting on the budget proposed by the district  
23 administrator. The board may make a change in the proposed budget  
24 that the board determines to be in the interests of the taxpayers.

25 (e) The budget is effective only after adoption by the  
26 board. (Acts 70th Leg., R.S., Ch. 137, Sec. 6.05.)

27 Sec. 1004.203. AMENDMENT OF BUDGET. After the budget is

1 adopted, the budget may be amended on the board's approval. (Acts  
2 70th Leg., R.S., Ch. 137, Sec. 6.06.)

3 Sec. 1004.204. FISCAL YEAR. (a) The district operates  
4 according to a fiscal year established by the board.

5 (b) The fiscal year may not be changed:

6 (1) during a period in which revenue bonds of the  
7 district are outstanding; or

8 (2) more than once in a 24-month period. (Acts 70th  
9 Leg., R.S., Ch. 137, Sec. 6.01.)

10 Sec. 1004.205. ANNUAL AUDIT. The board shall have an annual  
11 audit made of the financial condition of the district. (Acts 70th  
12 Leg., R.S., Ch. 137, Sec. 6.02.)

13 Sec. 1004.206. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
14 RECORDS. The annual audit and other district records are open to  
15 inspection during regular business hours at the principal office of  
16 the district. (Acts 70th Leg., R.S., Ch. 137, Sec. 6.03.)

17 Sec. 1004.207. FINANCIAL REPORT. As soon as practicable  
18 after the close of each fiscal year, the district administrator  
19 shall prepare for the board a sworn statement of the amount of  
20 district money and an account of the disbursement of that money.  
21 (Acts 70th Leg., R.S., Ch. 137, Sec. 6.08.)

22 Sec. 1004.208. SHORT-TERM FINANCING. The district may  
23 borrow money through short-term financing. (Acts 70th Leg., R.S.,  
24 Ch. 137, Sec. 6.07.)

25 Sec. 1004.209. DEBT LIMITATION. Except as provided by  
26 Chapter 1207, Government Code, and Sections 1004.116, 1004.251, and  
27 1004.254, the district may not incur a debt payable from district

1 revenue other than revenue available in the current fiscal year and  
2 the immediately following fiscal year of the district. (Acts 70th  
3 Leg., R.S., Ch. 137, Sec. 6.09(a).)

4 Sec. 1004.210. DEPOSITORY. (a) The board shall select at  
5 least one bank to serve as a depository for district money.

6 (b) The board may solicit bids from local financial  
7 institutions to determine which institution may serve as a  
8 depository for district money.

9 (c) District money, other than money invested as provided by  
10 Section 1004.211 and money transmitted to a bank for payment of  
11 bonds or obligations issued or assumed by the district, shall be  
12 deposited as received with the depository bank and shall remain on  
13 deposit. This subsection does not limit the board's power to place  
14 part of the district's money on time deposit or to purchase  
15 certificates of deposit.

16 (d) The district may deposit money with a bank in an amount  
17 that exceeds the maximum amount secured by the Federal Deposit  
18 Insurance Corporation only if the bank first executes a bond or  
19 other security in an amount sufficient to secure from loss the  
20 district money that exceeds the amount secured by the Federal  
21 Deposit Insurance Corporation. (Acts 70th Leg., R.S., Ch. 137,  
22 Sec. 6.10.)

23 Sec. 1004.211. RESTRICTION ON INVESTMENT. The board may  
24 invest operating, depreciation, or building reserves only in funds  
25 or securities specified by Chapter 2256, Government Code. (Acts  
26 70th Leg., R.S., Ch. 137, Sec. 6.09(b).)

27 [Sections 1004.212-1004.250 reserved for expansion]

SUBCHAPTER F. BONDS

1  
2           Sec. 1004.251. GENERAL OBLIGATION BONDS. If authorized by  
3 an election, the board may issue and sell general obligation bonds  
4 in the name and on the faith and credit of the district to:

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

7           (2) equip buildings or improvements for hospital  
8 purposes; or

9           (3) acquire and operate a mobile emergency medical  
10 service. (Acts 70th Leg., R.S., Ch. 137, Sec. 7.01.)

11           Sec. 1004.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
12 the time general obligation bonds are issued by the district under  
13 Section 1004.251, the board shall impose an ad valorem tax in an  
14 amount sufficient to create an interest and sinking fund to pay the  
15 principal of and interest on the bonds as the bonds mature.

16           (b) The tax required by this section together with any other  
17 tax the district imposes in any year may not exceed the limit  
18 approved by the voters at the election authorizing the imposition  
19 of taxes. (Acts 70th Leg., R.S., Ch. 137, Sec. 7.02.)

20           Sec. 1004.253. GENERAL OBLIGATION BOND ELECTION. (a) The  
21 district may issue general obligation bonds only if the bonds are  
22 authorized by a majority of the voters voting in an election held  
23 for that purpose.

24           (b) The board may order a bond election. The order calling  
25 the election must specify:

26           (1) the nature and date of the election;

27           (2) the hours during which the polls will be open;

1 (3) the location of polling places;

2 (4) the amounts of the bonds to be authorized; and

3 (5) the maximum maturity of the bonds.

4 (c) Notice of a bond election must be given as provided by  
5 Chapter 1251, Government Code.

6 (d) The board shall declare the results of the election.  
7 (Acts 70th Leg., R.S., Ch. 137, Sec. 7.03.)

8 Sec. 1004.254. REVENUE BONDS. (a) The board may issue  
9 revenue bonds to:

10 (1) acquire, purchase, construct, repair, renovate,  
11 or equip buildings or improvements for hospital purposes;

12 (2) acquire sites to be used for hospital purposes; or

13 (3) acquire and operate a mobile emergency medical  
14 service to assist the district in carrying out its hospital  
15 purposes.

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

19 (c) The bonds may be additionally secured by a mortgage or  
20 deed of trust lien on all or part of the district property.

21 (d) The bonds must be issued in the manner provided by  
22 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
23 Code, for issuance of revenue bonds by county hospital authorities.  
24 (Acts 70th Leg., R.S., Ch. 137, Sec. 7.04.)

25 Sec. 1004.255. MATURITY. District bonds must mature not  
26 later than 50 years after the date of their issuance. (Acts 70th  
27 Leg., R.S., Ch. 137, Sec. 7.06 (part).)

1           Sec. 1004.256. EXECUTION OF BONDS. (a) The board president  
2 shall execute district bonds in the district's name.

3           (b) The board secretary shall countersign the bonds in the  
4 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,  
5 R.S., Ch. 137, Sec. 7.07.)

6           Sec. 1004.257. BONDS NOT SUBJECT TO TAXATION. The  
7 following are not subject to taxation by the state or by a political  
8 subdivision of the state:

- 9           (1) bonds issued by the district;  
10           (2) any transaction relating to the bonds; and  
11           (3) profits made in the sale of the bonds. (Acts 70th  
12 Leg., R.S., Ch. 137, Sec. 7.11 (part).)

13           [Sections 1004.258-1004.300 reserved for expansion]

14                           SUBCHAPTER G. AD VALOREM TAX

15           Sec. 1004.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
16 shall impose a tax on all property in the district subject to  
17 hospital district taxation.

- 18           (b) The tax may be used to pay:  
19           (1) indebtedness issued or assumed by the district;  
20 and  
21           (2) the maintenance and operating expenses of the  
22 district.

23           (c) The district may not impose a tax to pay the principal of  
24 or interest on revenue bonds issued under this chapter. (Acts 70th  
25 Leg., R.S., Ch. 137, Secs. 8.01(c), (d), 8.02(b).)

26           Sec. 1004.302. TAX RATE. (a) The board may impose an  
27 annual tax at a rate not to exceed the limit approved by the voters

1 at the election authorizing the imposition of a tax.

2 (b) The tax rate on all taxable property in the district for  
3 all purposes may not exceed 75 cents on each \$100 valuation of the  
4 property according to the most recent certified tax appraisal roll  
5 of the district.

6 (c) In setting the tax rate, the board shall consider  
7 district income from sources other than taxation. (Acts 70th Leg.,  
8 R.S., Ch. 137, Secs. 8.01(a), (b), 8.03 (part).)

9 Sec. 1004.303. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)  
10 The board may order an election to increase the maximum tax rate of  
11 the district to an amount not to exceed 75 cents on each \$100  
12 valuation of the taxable property in the district.

13 (b) The board shall order an election to increase the  
14 maximum tax rate of the district on presentation of a petition that:

15 (1) requests the election;

16 (2) states the maximum tax rate to be voted on at the  
17 election; and

18 (3) is signed by at least 100 registered voters of the  
19 district as determined by the most recent official list of  
20 registered voters.

21 (c) The board by order shall set a time and place to hold a  
22 hearing on the petition. The board shall set a date for the hearing  
23 that is not earlier than the 11th day after the date the board  
24 issues the order.

25 (d) If, after the hearing, the board determines that the  
26 petition is in proper form and that an increase of the maximum tax  
27 rate would benefit the district, the board shall order an election

1 to authorize the increase of the maximum tax rate to the tax rate  
2 stated in the petition.

3 (e) The election order must state:

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

6 (2) the maximum tax rate to be voted on at the  
7 election;

8 (3) the date of the election;

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

10 (5) the location of the polling places.

11 (f) The election shall be held not earlier than the 45th day  
12 and not later than the 60th day after the date the election is  
13 ordered.

14 (g) Section 41.001(a), Election Code, does not apply to an  
15 election ordered under this subchapter. (Acts 70th Leg., R.S., Ch.  
16 137, Secs. 10.01, 10.02, 10.04.)

17 Sec. 1004.304. NOTICE OF ELECTION. (a) The board shall  
18 give notice of an election under this subchapter by publishing a  
19 substantial copy of the election order in a newspaper with general  
20 circulation in the district once a week for two consecutive weeks.

21 (b) The first publication must appear not later than the  
22 35th day before the date set for the election. (Acts 70th Leg.,  
23 R.S., Ch. 137, Sec. 10.03.)

24 Sec. 1004.305. BALLOT. The ballot for an election under  
25 this subchapter must be printed to permit voting for or against the  
26 proposition: "The increase by the Ballinger Memorial Hospital  
27 District of the rate of annual taxes for hospital purposes on all



1 taxable property in the district to a rate not to exceed \_\_\_\_\_  
2 (insert the amount determined by the board or stated in the  
3 petition) cents on each \$100 valuation." (Acts 70th Leg., R.S., Ch.  
4 137, Sec. 10.05.)

5 Sec. 1004.306. TAX ASSESSOR-COLLECTOR. The board may  
6 provide for the appointment of a tax assessor-collector for the  
7 district or may contract for the assessment and collection of taxes  
8 as provided by the Tax Code. (Acts 70th Leg., R.S., Ch. 137, Sec.  
9 8.04(b).)

10 CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 1005.001. DEFINITIONS

13 Sec. 1005.002. AUTHORITY FOR OPERATION

14 Sec. 1005.003. ESSENTIAL PUBLIC FUNCTION

15 Sec. 1005.004. DISTRICT TERRITORY

16 Sec. 1005.005. DISTRICT SUPPORT AND MAINTENANCE NOT

17 STATE OBLIGATION

18 Sec. 1005.006. RESTRICTION ON STATE FINANCIAL

19 ASSISTANCE

20 [Sections 1005.007-1005.050 reserved for expansion]

21 SUBCHAPTER B. DISTRICT ADMINISTRATION

22 Sec. 1005.051. BOARD

23 Sec. 1005.052. ELECTION; TERM

24 Sec. 1005.053. NOTICE OF ELECTION

25 Sec. 1005.054. APPLICATION

26 Sec. 1005.055. QUALIFICATIONS FOR OFFICE

27 Sec. 1005.056. BOARD VACANCY

- 1 Sec. 1005.057. OFFICERS
- 2 Sec. 1005.058. COMPENSATION
- 3 Sec. 1005.059. VOTING REQUIREMENT
- 4 Sec. 1005.060. DISTRICT ADMINISTRATOR
- 5 Sec. 1005.061. GENERAL DUTIES OF DISTRICT
- 6 ADMINISTRATOR
- 7 Sec. 1005.062. APPOINTMENT AND RECRUITMENT OF STAFF
- 8 Sec. 1005.063. EMPLOYEES
- 9 Sec. 1005.064. HEALTH EDUCATION
- 10 Sec. 1005.065. RETIREMENT BENEFITS
- 11 [Sections 1005.066-1005.100 reserved for expansion]
- 12 SUBCHAPTER C. POWERS AND DUTIES
- 13 Sec. 1005.101. DISTRICT RESPONSIBILITY
- 14 Sec. 1005.102. RESTRICTION ON COUNTY AND MUNICIPAL
- 15 TAXATION AND DEBT
- 16 Sec. 1005.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 17 Sec. 1005.104. DISTRICT RULES
- 18 Sec. 1005.105. PURCHASING AND ACCOUNTING PROCEDURES
- 19 Sec. 1005.106. MOBILE EMERGENCY MEDICAL SERVICE
- 20 Sec. 1005.107. ALTERNATIVE DELIVERY SYSTEMS OF CARE
- 21 Sec. 1005.108. DISTRICT PROPERTY, FACILITIES, AND
- 22 EQUIPMENT
- 23 Sec. 1005.109. CONSTRUCTION CONTRACTS
- 24 Sec. 1005.110. OPERATING AND MANAGEMENT CONTRACTS
- 25 Sec. 1005.111. SERVICE CONTRACTS
- 26 Sec. 1005.112. EMINENT DOMAIN
- 27 Sec. 1005.113. COST OF RELOCATING OR ALTERING PROPERTY

- 1 Sec. 1005.114. GIFTS AND ENDOWMENTS
- 2 Sec. 1005.115. PAYMENT FOR TREATMENT; PROCEDURES
- 3 Sec. 1005.116. REIMBURSEMENT FOR SERVICES
- 4 Sec. 1005.117. AUTHORITY TO SUE AND BE SUED
- 5 [Sections 1005.118-1005.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

- 7 Sec. 1005.151. BUDGET
- 8 Sec. 1005.152. NOTICE; HEARING; ADOPTION OF BUDGET
- 9 Sec. 1005.153. AMENDMENT OF BUDGET
- 10 Sec. 1005.154. RESTRICTION ON EXPENDITURES
- 11 Sec. 1005.155. FISCAL YEAR
- 12 Sec. 1005.156. ANNUAL AUDIT
- 13 Sec. 1005.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
- 14 RECORDS
- 15 Sec. 1005.158. FINANCIAL REPORT
- 16 Sec. 1005.159. DEPOSITORY
- 17 Sec. 1005.160. AUTHORITY TO BORROW MONEY; SECURITY
- 18 Sec. 1005.161. RESTRICTION ON INVESTMENT
- 19 [Sections 1005.162-1005.200 reserved for expansion]

20 SUBCHAPTER E. BONDS

- 21 Sec. 1005.201. GENERAL OBLIGATION BONDS
- 22 Sec. 1005.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 23 Sec. 1005.203. GENERAL OBLIGATION BOND ELECTION
- 24 Sec. 1005.204. REVENUE BONDS
- 25 Sec. 1005.205. MATURITY
- 26 Sec. 1005.206. EXECUTION OF BONDS
- 27 Sec. 1005.207. BONDS NOT SUBJECT TO TAXATION

1 Sec. 1005.208. REFUNDING BONDS

2 [Sections 1005.209-1005.250 reserved for expansion]

3 SUBCHAPTER F. AD VALOREM TAX

4 Sec. 1005.251. IMPOSITION OF TAX

5 Sec. 1005.252. TAX RATE

6 Sec. 1005.253. TAX ASSESSOR-COLLECTOR

7 CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1005.001. DEFINITIONS. In this chapter:

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

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

13 (3) "District" means the Baylor County Hospital  
14 District.

15 (4) "Hospital system" includes a hospital and an  
16 alternative delivery system of care created under Section 1005.107.  
17 (Acts 71st Leg., R.S., Ch. 355, Secs. 1.01(1), (2), (3), (4).)

18 Sec. 1005.002. AUTHORITY FOR OPERATION. The Baylor County  
19 Hospital District operates and is financed as provided by Section  
20 9, Article IX, Texas Constitution, and by this chapter. (Acts 71st  
21 Leg., R.S., Ch. 355, Sec. 1.02.)

22 Sec. 1005.003. ESSENTIAL PUBLIC FUNCTION. The district is a  
23 public entity performing an essential public function. (Acts 71st  
24 Leg., R.S., Ch. 355, Sec. 7.11 (part).)

25 Sec. 1005.004. DISTRICT TERRITORY. The boundaries of the  
26 district are coextensive with the boundaries of Baylor County,  
27 Texas, as those boundaries existed on September 1, 1989. (Acts 71st

1 Leg., R.S., Ch. 355, Sec. 1.03.)

2 Sec. 1005.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
3 OBLIGATION. The state may not become obligated for the support or  
4 maintenance of the district. (Acts 71st Leg., R.S., Ch. 355, Sec.  
5 9.01 (part).)

6 Sec. 1005.006. RESTRICTION ON STATE FINANCIAL  
7 ASSISTANCE. The legislature may not make a direct appropriation  
8 for the construction, maintenance, or improvement of a district  
9 facility. (Acts 71st Leg., R.S., Ch. 355, Sec. 9.01 (part).)

10 [Sections 1005.007-1005.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Sec. 1005.051. BOARD. The district is governed by a board  
13 of seven directors. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.01(a).)

14 Sec. 1005.052. ELECTION; TERM. (a) Directors are elected  
15 from the district at large.

16 (b) Unless a four-year term is established under Section  
17 285.081, Health and Safety Code:

18 (1) directors serve staggered two-year terms; and

19 (2) an election shall be held on the first Saturday in  
20 May of each year to elect the appropriate number of directors.  
21 (Acts 71st Leg., R.S., Ch. 355, Secs. 4.03(a), (b) (part), (c).)

22 Sec. 1005.053. NOTICE OF ELECTION. At least 35 days before  
23 the date of an election of directors, notice of the election shall  
24 be published one time in a newspaper with general circulation in the  
25 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.04.)

26 Sec. 1005.054. APPLICATION. (a) A person who wants to  
27 have the person's name printed on the ballot as a candidate for

1 director must file with the secretary of the board a petition  
2 requesting that the person's name be printed on the ballot.

3 (b) The petition must be signed by at least 10 registered  
4 voters of the district.

5 (c) The application must be filed at least 31 days before  
6 the date of the election. (Acts 71st Leg., R.S., Ch. 355, Sec.  
7 4.05.)

8 Sec. 1005.055. QUALIFICATIONS FOR OFFICE. (a) To be a  
9 candidate for or to serve as a director, a person must be:

- 10 (1) a resident of the district; and  
11 (2) a qualified voter.

12 (b) An employee of the district or an employee's spouse,  
13 child, parent, or parent-in-law may not serve as director. (Acts  
14 71st Leg., R.S., Ch. 355, Sec. 4.06.)

15 Sec. 1005.056. BOARD VACANCY. If a vacancy occurs in the  
16 office of director, the Commissioners Court of Baylor County shall  
17 appoint a director for the unexpired term. (Acts 71st Leg., R.S.,  
18 Ch. 355, Sec. 4.07.)

19 Sec. 1005.057. OFFICERS. (a) The board shall elect a  
20 president and a vice president from among its members.

21 (b) The board shall appoint a secretary, who need not be a  
22 director.

23 (c) Each officer of the board serves for a term of one year.

24 (d) The board shall fill a vacancy in a board office for the  
25 unexpired term. (Acts 71st Leg., R.S., Ch. 355, Secs. 4.08, 4.09.)

26 Sec. 1005.058. COMPENSATION. A director or officer serves  
27 without compensation but may be reimbursed for actual expenses

1 incurred in the performance of official duties. The expenses must  
2 be:

3 (1) reported in the district's records; and

4 (2) approved by the board. (Acts 71st Leg., R.S., Ch.  
5 355, Sec. 4.10.)

6 Sec. 1005.059. VOTING REQUIREMENT. A concurrence of a  
7 majority of the directors voting is necessary in matters relating  
8 to district business. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.11.)

9 Sec. 1005.060. DISTRICT ADMINISTRATOR. (a) The board may  
10 appoint a qualified person as district administrator.

11 (b) The district administrator serves at the will of the  
12 board.

13 (c) The district administrator is entitled to the  
14 compensation determined by the board. (Acts 71st Leg., R.S., Ch.  
15 355, Sec. 4.12.)

16 Sec. 1005.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
17 Subject to the limitations prescribed by the board, the district  
18 administrator shall:

19 (1) supervise the work and activities of the district;  
20 and

21 (2) direct the general affairs of the district and  
22 hospital system. (Acts 71st Leg., R.S., Ch. 355, Sec. 4.15.)

23 Sec. 1005.062. APPOINTMENT AND RECRUITMENT OF STAFF. (a)  
24 The board may appoint to the staff any physicians the board  
25 considers necessary for the efficient operation of the district and  
26 may make temporary appointments as necessary.

27 (b) The board may delegate to the district administrator the

1 authority to make temporary appointments to the medical staff, with  
2 subsequent approval of the board.

3 (c) The board may spend district money, including making  
4 guarantees and loans, to recruit physicians to the hospital staff  
5 as required to meet the medical needs of district residents. (Acts  
6 71st Leg., R.S., Ch. 355, Secs. 4.13, 5.02(b).)

7 Sec. 1005.063. EMPLOYEES. (a) The district may employ  
8 physicians, technicians, nurses, fiscal agents, accountants,  
9 architects, attorneys, and other necessary employees.

10 (b) The board may delegate to the district administrator the  
11 authority to employ persons for the district. (Acts 71st Leg.,  
12 R.S., Ch. 355, Sec. 4.14.)

13 Sec. 1005.064. HEALTH EDUCATION. The board may spend  
14 district money to provide scholarships and student loans to educate  
15 county residents in health-related fields. (Acts 71st Leg., R.S.,  
16 Ch. 355, Sec. 5.02(c).)

17 Sec. 1005.065. RETIREMENT BENEFITS. The board may provide  
18 retirement benefits for employees of the district and hospital  
19 system by:

20 (1) establishing or administering a retirement  
21 program; or

22 (2) participating in:

23 (A) the Texas County and District Retirement  
24 System; or

25 (B) another statewide retirement system in which  
26 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.  
27 355, Sec. 4.16.)



1 [Sections 1005.066-1005.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 1005.101. DISTRICT RESPONSIBILITY. The district has  
4 full responsibility for operating hospital facilities and for  
5 providing medical and hospital care for the district's needy  
6 residents, in accordance with district policy. (Acts 71st Leg.,  
7 R.S., Ch. 355, Sec. 5.02(a) (part).)

8 Sec. 1005.102. RESTRICTION ON COUNTY AND MUNICIPAL TAXATION  
9 AND DEBT. Baylor County and the City of Seymour may not impose a  
10 tax or issue a bond or other obligation for hospital purposes or to  
11 provide medical care or other services the district provides to  
12 district residents. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.01(b).)

13 Sec. 1005.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
14 The board shall manage, control, and administer the hospital system  
15 and the money and resources of the district. (Acts 71st Leg., R.S.,  
16 Ch. 355, Sec. 5.03.)

17 Sec. 1005.104. DISTRICT RULES. The board may adopt rules  
18 governing:

19 (1) the operation of the hospital and hospital system;  
20 and

21 (2) the duties, functions, and responsibilities of the  
22 district staff and employees. (Acts 71st Leg., R.S., Ch. 355, Sec.  
23 5.04.)

24 Sec. 1005.105. PURCHASING AND ACCOUNTING PROCEDURES. The  
25 board may prescribe:

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

1           (2) accounting and control procedures for the  
2 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.05.)

3           Sec. 1005.106. MOBILE EMERGENCY MEDICAL SERVICE. The  
4 district may operate or provide for the operation of a mobile  
5 emergency medical service. (Acts 71st Leg., R.S., Ch. 355, Sec.  
6 5.02(a) (part).)

7           Sec. 1005.107. ALTERNATIVE DELIVERY SYSTEMS OF CARE. The  
8 board may create alternative delivery systems of care, including:

- 9           (1) nursing homes;
- 10          (2) home health care agencies;
- 11          (3) extended care facilities;
- 12          (4) retirement villages; and
- 13          (5) medical office buildings. (Acts 71st Leg., R.S.,  
14 Ch. 355, Sec. 5.02(d).)

15          Sec. 1005.108. DISTRICT PROPERTY, FACILITIES, AND  
16 EQUIPMENT. (a) The board shall determine:

- 17          (1) the type, number, and location of buildings  
18 required to maintain an adequate hospital system; and
- 19          (2) the type of equipment necessary to furnish health  
20 care to district residents.

21          (b) The board may:

- 22          (1) acquire property, facilities, and equipment for  
23 the district for use in the hospital system; and
- 24          (2) mortgage or pledge the property, facilities, or  
25 equipment acquired as security for the payment of the purchase  
26 price.

27          (c) The board may lease the hospital system for the

1 district.

2 (d) The board may sell or otherwise dispose of property,  
3 facilities, or equipment for the district. (Acts 71st Leg., R.S.,  
4 Ch. 355, Sec. 5.06.)

5 Sec. 1005.109. CONSTRUCTION CONTRACTS. (a) The board may  
6 enter into construction contracts for the district.

7 (b) The board may enter into a construction contract that  
8 involves spending more than \$10,000 only after competitive bidding  
9 as provided by Chapter 271, Local Government Code.

10 (c) Chapter 2253, Government Code, as it relates to  
11 performance and payment bonds, applies to a construction contract  
12 let by the district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.07.)

13 Sec. 1005.110. OPERATING AND MANAGEMENT CONTRACTS. The  
14 board on behalf of the district may enter into operating or  
15 management contracts relating to the hospital system. (Acts 71st  
16 Leg., R.S., Ch. 355, Sec. 5.08.)

17 Sec. 1005.111. SERVICE CONTRACTS. The board may contract  
18 with a political subdivision of the state or with a state or federal  
19 agency for the district to:

20 (1) provide a mobile emergency medical service; or

21 (2) provide for the investigatory or welfare needs of  
22 district residents. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.13.)

23 Sec. 1005.112. EMINENT DOMAIN. (a) The district may  
24 exercise the power of eminent domain to acquire a fee simple or  
25 other interest in property located in district territory if the  
26 property interest is necessary to exercise the rights or authority  
27 conferred by this chapter.

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

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

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

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

11 (3) provide a bond for costs or a supersedeas bond on  
12 an appeal or writ of error. (Acts 71st Leg., R.S., Ch. 355, Sec.  
13 5.09.)

14 Sec. 1005.113. COST OF RELOCATING OR ALTERING PROPERTY. In  
15 exercising the power of eminent domain, if the board requires  
16 relocating, raising, lowering, rerouting, changing the grade, or  
17 altering the construction of any railroad, highway, pipeline, or  
18 electric transmission and electric distribution, telegraph, or  
19 telephone lines, conduits, poles, or facilities, the district must  
20 bear the actual cost of that activity to provide comparable  
21 replacement without enhancement of facilities, after deducting the  
22 net salvage value derived from the old facility. (Acts 71st Leg.,  
23 R.S., Ch. 355, Sec. 5.10.)

24 Sec. 1005.114. GIFTS AND ENDOWMENTS. The board may accept  
25 for the district a gift or endowment to be held in trust for the  
26 purpose and under a written direction, limitation, or provision of  
27 the donor that is consistent with the proper management of the

1 district. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.14.)

2 Sec. 1005.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)

3 When an individual who resides in the district is admitted as a  
4 patient to a district facility, the district administrator may have  
5 an inquiry made into the financial circumstances of:

6 (1) the patient; or

7 (2) a relative of the patient who is legally  
8 responsible for the patient's support.

9 (b) On determining that the patient or a relative legally  
10 responsible for the patient's support can pay for all or part of the  
11 care and treatment provided by the district, the district  
12 administrator acting on the board's behalf shall issue an order  
13 directing the patient or the relative to pay the district a  
14 specified amount each week or month. The amount must be based on  
15 the individual's ability to pay.

16 (c) The district administrator may collect money owed to the  
17 district from the patient's estate or from that of a relative  
18 legally responsible for the patient's support. The money must be  
19 collected in the manner provided by law for collection of expenses  
20 of the last illness of a deceased person. (Acts 71st Leg., R.S.,  
21 Ch. 355, Secs. 5.11(b), (c), (d).)

22 Sec. 1005.116. REIMBURSEMENT FOR SERVICES. (a) The board  
23 shall require a county, municipality, or public hospital located  
24 outside the boundaries of the district to reimburse the district  
25 for the district's care and treatment of a sick or injured person of  
26 that county, municipality, or hospital as provided by Chapter 61,  
27 Health and Safety Code.

1 (b) The board shall require the sheriff of Baylor County to  
2 reimburse the district for the district's care and treatment of a  
3 person who is confined in a jail facility of Baylor County and is  
4 not a resident of the district.

5 (c) On behalf of the district, the board may contract with  
6 the state or federal government for that government to reimburse  
7 the district for treatment of a sick or injured person. (Acts 71st  
8 Leg., R.S., Ch. 355, Sec. 5.12.)

9 Sec. 1005.117. AUTHORITY TO SUE AND BE SUED. The board may  
10 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,  
11 Ch. 355, Sec. 5.15.)

12 [Sections 1005.118-1005.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 1005.151. BUDGET. (a) The district administrator  
15 shall prepare a proposed annual budget for the district.

16 (b) The proposed budget must contain a complete financial  
17 statement, including a statement of:

- 18 (1) the outstanding obligations of the district;
- 19 (2) the amount of cash on hand in each district fund;
- 20 (3) the amount of money received by the district from  
21 all sources during the previous year;
- 22 (4) the amount of money available to the district from  
23 all sources during the ensuing year;
- 24 (5) the amount of the balances expected at the end of  
25 the year in which the budget is being prepared;
- 26 (6) the estimated amount of revenues and balances  
27 available for the proposed budget; and

1           (7) the estimated tax rate required. (Acts 71st Leg.,  
2 R.S., Ch. 355, Sec. 6.04.)

3           Sec. 1005.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
4 The board shall hold a public hearing on the proposed annual budget.

5           (b) The board shall publish notice of the hearing in a  
6 newspaper with general circulation in the district not later than  
7 the 10th day before the date of the hearing.

8           (c) Any district resident is entitled to be present and  
9 participate at the hearing.

10          (d) At the conclusion of the hearing, the board shall adopt  
11 a budget by acting on the budget proposed by the district  
12 administrator. The board may make any changes in the proposed  
13 budget that the board judges to be in the interests of the  
14 taxpayers.

15          (e) The budget is effective only after adoption by the  
16 board. (Acts 71st Leg., R.S., Ch. 355, Sec. 6.05.)

17          Sec. 1005.153. AMENDMENT OF BUDGET. After the budget is  
18 adopted, the budget may be amended on the board's approval. (Acts  
19 71st Leg., R.S., Ch. 355, Sec. 6.06.)

20          Sec. 1005.154. RESTRICTION ON EXPENDITURES. Money may be  
21 spent only for an expense included in the annual budget or an  
22 amendment to the budget. (Acts 71st Leg., R.S., Ch. 355, Sec.  
23 6.07.)

24          Sec. 1005.155. FISCAL YEAR. (a) The district operates  
25 according to a fiscal year established by the board.

26          (b) The fiscal year may not be changed:

27           (1) during a period that revenue bonds of the district

1 are outstanding; or

2 (2) more than once in a 24-month period. (Acts 71st  
3 Leg., R.S., Ch. 355, Sec. 6.01.)

4 Sec. 1005.156. ANNUAL AUDIT. The board annually shall have  
5 an audit made of the financial condition of the district. (Acts  
6 71st Leg., R.S., Ch. 355, Sec. 6.02.)

7 Sec. 1005.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
8 RECORDS. The annual audit and other district records shall be open  
9 to inspection during regular business hours at the principal office  
10 of the district. (Acts 71st Leg., R.S., Ch. 355, Sec. 6.03.)

11 Sec. 1005.158. FINANCIAL REPORT. As soon as practicable  
12 after the close of the fiscal year, the district administrator  
13 shall prepare for the board a sworn statement of the amount of  
14 district money and an account of the disbursements of that money.  
15 (Acts 71st Leg., R.S., Ch. 355, Sec. 6.08.)

16 Sec. 1005.159. DEPOSITORY. (a) The board shall select  
17 one or more banks to serve as depository for district money.

18 (b) District money, other than money invested as provided by  
19 Section 1005.161 and money transmitted to a bank for payment of  
20 bonds or obligations issued or assumed by the district, shall be  
21 deposited as received with the depository bank and shall remain on  
22 deposit. This subsection does not limit the power of the board to  
23 place a part of district money on time deposit or to purchase  
24 certificates of deposit.

25 (c) The district may not deposit money with a bank in an  
26 amount that exceeds the maximum amount secured by the Federal  
27 Deposit Insurance Corporation unless the bank has first executed a



1 bond or other security in an amount sufficient to secure from loss  
2 the district money that exceeds the amount secured by the Federal  
3 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 355,  
4 Sec. 6.10.)

5           Sec. 1005.160. AUTHORITY           TO           BORROW           MONEY;  
6 SECURITY. (a) The board may borrow money if the board declares  
7 that there is an emergency because money is not available to meet  
8 authorized obligations of the district.

9           (b) To secure a loan, the board may pledge:

10                   (1) district revenues that are not pledged to pay any  
11 bonded indebtedness of the district;

12                   (2) a district tax to be imposed by the district in the  
13 next 12-month period that is not pledged to pay the principal of or  
14 interest on district bonds; or

15                   (3) a district bond that has been authorized but not  
16 sold.

17           (c) If a tax or bond is pledged to pay the loan, the loan  
18 shall mature not later than the first anniversary of the date the  
19 loan is made. If revenues of the district are pledged for payment  
20 of the loan, the loan shall mature not later than the fifth  
21 anniversary of the date the loan is made.

22           (d) The district may not spend money obtained from a loan  
23 under this section for any purpose other than:

24                   (1) the purpose for which the board declared the  
25 emergency; or

26                   (2) if a tax or bond is pledged to pay the loan, the  
27 purpose for which the pledged tax was imposed or the pledged bond

1 was authorized. (Acts 71st Leg., R.S., Ch. 355, Secs. 6.09(a), (b),  
2 (c).)

3 Sec. 1005.161. RESTRICTION ON INVESTMENT. The board may  
4 invest operating, depreciation, or building reserves only in funds  
5 or securities specified by Chapter 2256, Government Code. (Acts  
6 71st Leg., R.S., Ch. 355, Sec. 6.09(d).)

7 [Sections 1005.162-1005.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Sec. 1005.201. GENERAL OBLIGATION BONDS. The board may  
10 issue and sell general obligation bonds authorized by an election  
11 in the name and on the faith and credit of the district to:

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

14 (2) equip buildings or improvements for hospital  
15 system purposes; or

16 (3) acquire and operate a mobile emergency medical  
17 service. (Acts 71st Leg., R.S., Ch. 355, Sec. 7.01.)

18 Sec. 1005.202. TAX TO PAY GENERAL OBLIGATION  
19 BONDS. (a) At the time general obligation bonds are issued by the  
20 district under Section 1005.201, the board shall impose an ad  
21 valorem tax at a rate sufficient to create an interest and sinking  
22 fund to pay the principal of and interest on the bonds as the bonds  
23 mature.

24 (b) The tax required by this section together with any other  
25 tax the district imposes in any year may not exceed the limit  
26 approved by the voters at the election authorizing the imposition  
27 of the tax. (Acts 71st Leg., R.S., Ch. 355, Sec. 7.02.)

1           Sec. 1005.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
2 district may issue general obligation bonds only if the bonds are  
3 authorized by a majority of voters voting at an election held for  
4 that purpose.

5           (b) The board may order a general obligation bond election.  
6 The order calling the election must specify:

- 7                   (1) the nature and date of the election;  
8                   (2) the hours during which the polls must be open;  
9                   (3) the location of the polling places;  
10                   (4) the amount of the bonds to be authorized; and  
11                   (5) the maximum maturity of the bonds.

12           (c) Notice of a bond election shall be given as provided by  
13 Section 1251.003, Government Code.

14           (d) The board shall declare the results of the election.  
15 (Acts 71st Leg., R.S., Ch. 355, Sec. 7.03.)

16           Sec. 1005.204. REVENUE BONDS. (a) The board may issue  
17 revenue bonds to:

- 18                   (1) acquire, purchase, construct, repair, renovate,  
19 or equip buildings or improvements for hospital system purposes;  
20                   (2) acquire sites to be used for hospital system  
21 purposes; or  
22                   (3) acquire and operate a mobile emergency medical  
23 service to assist the district in carrying out its hospital  
24 purposes.

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

1 (c) The bonds may be additionally secured by a mortgage or  
2 deed of trust lien on all or part of district property.

3 (d) The bonds must be issued in the manner provided by  
4 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety  
5 Code, for issuance of revenue bonds by a county hospital authority.  
6 (Acts 71st Leg., R.S., Ch. 355, Sec. 7.04.)

7 Sec. 1005.205. MATURITY. District bonds must mature not  
8 later than 50 years after the date of issuance. (Acts 71st Leg.,  
9 R.S., Ch. 355, Sec. 7.06 (part).)

10 Sec. 1005.206. EXECUTION OF BONDS. (a) The board  
11 president shall execute district bonds in the district's name.

12 (b) The board secretary shall countersign the bonds in the  
13 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,  
14 R.S., Ch. 355, Sec. 7.07.)

15 Sec. 1005.207. BONDS NOT SUBJECT TO TAXATION. The  
16 following are not subject to taxation by the state or by a political  
17 subdivision of the state:

- 18 (1) bonds issued by the district;  
19 (2) any transaction relating to the bonds; and  
20 (3) profits made in the sale of the bonds. (Acts 71st  
21 Leg., R.S., Ch. 355, Sec. 7.11 (part).)

22 Sec. 1005.208. REFUNDING BONDS. (a) The board may issue  
23 refunding bonds to refund outstanding indebtedness issued or  
24 assumed by the district.

25 (b) Refunding bonds may be:

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

1           (2) exchanged in whole or in part for not less than a  
2 similar principal amount of outstanding indebtedness. (Acts 71st  
3 Leg., R.S., Ch. 355, Secs. 7.05(a), (c) (part).)

4           [Sections 1005.209-1005.250 reserved for expansion]

5                               SUBCHAPTER F. AD VALOREM TAX

6           Sec. 1005.251. IMPOSITION OF TAX. (a) The board shall  
7 impose a tax on all property in the district subject to hospital  
8 district taxation.

9           (b) The tax may be used to pay:

10                   (1) indebtedness issued or assumed by the district;  
11 and

12                   (2) the maintenance and operating expenses of the  
13 district and the district's hospital system.

14           (c) The district may not impose a tax to pay the principal of  
15 or interest on a revenue bond issued under this chapter. (Acts 71st  
16 Leg., R.S., Ch. 355, Secs. 8.01(c), (d), 8.02(b).)

17           Sec. 1005.252. TAX RATE. (a) The board may impose an  
18 annual tax at a rate not to exceed the limit approved by the voters  
19 at the election authorizing the imposition of the tax.

20           (b) The tax rate on all taxable property in the district for  
21 all purposes may not exceed 75 cents on each \$100 assessed value of  
22 the property according to the most recent certified tax appraisal  
23 roll of the district.

24           (c) In setting the tax rate, the board shall consider the  
25 income of the district from sources other than taxation. (Acts 71st  
26 Leg., R.S., Ch. 355, Secs. 8.01(a), (b), 8.03 (part).)

27           Sec. 1005.253. TAX ASSESSOR-COLLECTOR. The board may

1 provide for the appointment of a tax assessor-collector for the  
2 district or may contract for the assessment and collection of taxes  
3 as provided by the Tax Code. (Acts 71st Leg., R.S., Ch. 355, Sec.  
4 8.04(b).)

5 CHAPTER 1006. CAPROCK HOSPITAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 1006.001. DEFINITIONS

8 Sec. 1006.002. AUTHORITY FOR CREATION

9 Sec. 1006.003. ESSENTIAL PUBLIC FUNCTION

10 Sec. 1006.004. DISTRICT TERRITORY

11 Sec. 1006.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
12 STATE OBLIGATION

13 Sec. 1006.006. RESTRICTION ON STATE FINANCIAL  
14 ASSISTANCE

15 [Sections 1006.007-1006.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Sec. 1006.051. BOARD ELECTION; TERM

18 Sec. 1006.052. NOTICE OF ELECTION

19 Sec. 1006.053. BALLOT PETITION

20 Sec. 1006.054. QUALIFICATIONS FOR OFFICE

21 Sec. 1006.055. DIRECTOR'S BOND; RECORD OF BOND AND  
22 OATH OR AFFIRMATION

23 Sec. 1006.056. BOARD VACANCY

24 Sec. 1006.057. OFFICERS

25 Sec. 1006.058. VOTING REQUIREMENT

26 Sec. 1006.059. DISTRICT ADMINISTRATOR; ASSISTANT  
27 ADMINISTRATOR

- 1 Sec. 1006.060. GENERAL DUTIES OF DISTRICT  
2 ADMINISTRATOR
- 3 Sec. 1006.061. EMPLOYEES
- 4 Sec. 1006.062. RETIREMENT PROGRAM
- 5 [Sections 1006.063-1006.100 reserved for expansion]
- 6 SUBCHAPTER C. POWERS AND DUTIES
- 7 Sec. 1006.101. DISTRICT RESPONSIBILITY
- 8 Sec. 1006.102. RESTRICTION ON POLITICAL SUBDIVISION
- 9 TAXATION AND DEBT
- 10 Sec. 1006.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 11 Sec. 1006.104. HOSPITAL SYSTEM
- 12 Sec. 1006.105. RULES
- 13 Sec. 1006.106. PURCHASING AND ACCOUNTING PROCEDURES
- 14 Sec. 1006.107. EMINENT DOMAIN
- 15 Sec. 1006.108. GIFTS AND ENDOWMENTS
- 16 Sec. 1006.109. CONTRACTS FOR SERVICES TO CERTAIN  
17 PERSONS
- 18 Sec. 1006.110. PAYMENT FOR TREATMENT; PROCEDURES
- 19 Sec. 1006.111. AUTHORITY TO SUE AND BE SUED
- 20 [Sections 1006.112-1006.150 reserved for expansion]
- 21 SUBCHAPTER D. FINANCIAL ADMINISTRATION OF DISTRICT
- 22 Sec. 1006.151. BUDGET
- 23 Sec. 1006.152. FISCAL YEAR
- 24 Sec. 1006.153. AUDIT
- 25 Sec. 1006.154. FINANCIAL REPORT
- 26 Sec. 1006.155. DEPOSITORY
- 27 Sec. 1006.156. BORROWING MONEY IN EMERGENCY; SECURITY

[Sections 1006.157-1006.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 1006.201. GENERAL OBLIGATION BONDS

Sec. 1006.202. TAXES TO PAY GENERAL OBLIGATION BONDS

Sec. 1006.203. GENERAL OBLIGATION BOND ELECTION

Sec. 1006.204. EXECUTION OF GENERAL OBLIGATION BONDS

Sec. 1006.205. REFUNDING BONDS

Sec. 1006.206. BONDS EXEMPT FROM TAXATION

[Sections 1006.207-1006.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1006.251. IMPOSITION OF AD VALOREM TAX

Sec. 1006.252. TAX RATE

Sec. 1006.253. TAX ASSESSOR-COLLECTOR

CHAPTER 1006. CAPROCK HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1006.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Caprock Hospital District.

(New.)

Sec. 1006.002. AUTHORITY FOR CREATION. The Caprock Hospital District is created under the authority of Section 9, Article IX, Texas Constitution. (Acts 58th Leg., R.S., Ch. 238, Sec. 1 (part).)

Sec. 1006.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes



1 of this chapter. (Acts 58th Leg., R.S., Ch. 238, Sec. 8 (part).)

2 Sec. 1006.004. DISTRICT TERRITORY. (a) The boundaries of  
3 the district are coextensive with the boundaries of County  
4 Commissioners Precincts 1, 3, and 4 of Floyd County as those  
5 boundaries existed on January 1, 1963.

6 (b) Territory may not be annexed or added to the district.  
7 (Acts 58th Leg., R.S., Ch. 238, Sec. 1 (part).)

8 Sec. 1006.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
9 OBLIGATION. The support and maintenance of the district may not  
10 become a charge against or obligation of this state. (Acts 58th  
11 Leg., R.S., Ch. 238, Sec. 18 (part).)

12 Sec. 1006.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
13 The legislature may not make a direct appropriation for the  
14 construction, maintenance, or improvement of a district facility.  
15 (Acts 58th Leg., R.S., Ch. 238, Sec. 18 (part).)

16 [Sections 1006.007-1006.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT ADMINISTRATION

18 Sec. 1006.051. BOARD ELECTION; TERM. (a) The board  
19 consists of five directors elected from the district at large.

20 (b) Directors serve two-year staggered terms unless  
21 four-year terms are established under Section 285.081, Health and  
22 Safety Code. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

23 Sec. 1006.052. NOTICE OF ELECTION. At least 10 days before  
24 the date of an election of directors, notice of the election shall  
25 be published one time in a newspaper of general circulation in Floyd  
26 County. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

27 Sec. 1006.053. BALLOT PETITION. A person who wants to have

1 the person's name printed on the ballot as a candidate for director  
2 must file with the board's secretary a petition requesting that  
3 action. The petition must be:

- 4 (1) signed by at least 25 qualified voters; and
- 5 (2) filed at least 25 days before the date of the  
6 election. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

7 Sec. 1006.054. QUALIFICATIONS FOR OFFICE. To be eligible  
8 to be elected or appointed as a director, a person must:

- 9 (1) be a resident of the district; and
- 10 (2) own land in the district subject to taxation.  
11 (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

12 Sec. 1006.055. DIRECTOR'S BOND; RECORD OF BOND AND OATH OR  
13 AFFIRMATION. (a) Each director shall execute a good and sufficient  
14 bond for \$1,000 that is:

- 15 (1) payable to the district; and
- 16 (2) conditioned on the faithful performance of the  
17 director's duties.

18 (b) The bond and the constitutional oath or affirmation of  
19 office shall be deposited with the depository bank of the district.  
20 (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

21 Sec. 1006.056. BOARD VACANCY. (a) If a vacancy occurs in  
22 the office of director, the remaining directors shall appoint a  
23 director for the unexpired term.

24 (b) If the number of directors is reduced to fewer than  
25 three for any reason, the remaining directors shall immediately  
26 call a special election to fill the vacancies. If the remaining  
27 directors do not call the election, a district court on application

1 of a district voter or taxpayer may issue an order requiring the  
2 directors to call an election. (Acts 58th Leg., R.S., Ch. 238, Sec.  
3 4 (part).)

4 Sec. 1006.057. OFFICERS. The board shall elect from among  
5 its members a president and a secretary. (Acts 58th Leg., R.S., Ch.  
6 238, Sec. 4 (part).)

7 Sec. 1006.058. VOTING REQUIREMENT. A concurrence of three  
8 directors is sufficient in any matter relating to district  
9 business. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

10 Sec. 1006.059. DISTRICT ADMINISTRATOR; ASSISTANT  
11 ADMINISTRATOR. (a) The board shall appoint a qualified person as a  
12 district administrator.

13 (b) The board may appoint an assistant to the district  
14 administrator.

15 (c) The district administrator and any assistant district  
16 administrator serves at the will of the board and is entitled to the  
17 compensation determined by the board.

18 (d) On assuming the duties of district administrator, the  
19 administrator shall execute a bond payable to the district in an  
20 amount of not less than \$10,000 to be set by the board that:

21 (1) is conditioned on the administrator performing the  
22 administrator's duties; and

23 (2) contains any other condition the board may  
24 require. (Acts 58th Leg., R.S., Ch. 238, Sec. 5 (part).)

25 Sec. 1006.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
26 The district administrator shall supervise the work and activities  
27 of the district subject to any limitation the board may prescribe.

1 (Acts 58th Leg., R.S., Ch. 238, Sec. 5 (part).)

2           Sec. 1006.061. EMPLOYEES.           The board may employ  
3 technicians, nurses, and other employees considered necessary for  
4 the efficient operation of the district or may delegate that  
5 authority to the district administrator. (Acts 58th Leg., R.S.,  
6 Ch. 238, Sec. 5 (part).)

7           Sec. 1006.062. RETIREMENT PROGRAM.   The board may enter  
8 into a contract or agreement with this state or the federal  
9 government to establish or continue a retirement program for the  
10 benefit of the district's employees. (Acts 58th Leg., R.S., Ch.  
11 238, Sec. 5 (part).)

12                   [Sections 1006.063-1006.100 reserved for expansion]

13                                   SUBCHAPTER C. POWERS AND DUTIES

14           Sec. 1006.101. DISTRICT RESPONSIBILITY.   The district has  
15 full responsibility for:

16                   (1) operating all hospital facilities for providing  
17 medical and hospital care to indigent persons in the district; and

18                   (2) providing medical and hospital care for the  
19 district's needy residents. (Acts 58th Leg., R.S., Ch. 238, Secs. 2  
20 (part), 17 (part).)

21           Sec. 1006.102. RESTRICTION ON POLITICAL SUBDIVISION  
22 TAXATION AND DEBT. A political subdivision located in the district  
23 may not impose taxes or issue bonds or other obligations for  
24 hospital purposes for medical treatment of indigent persons. (Acts  
25 58th Leg., R.S., Ch. 238, Sec. 17 (part).)

26           Sec. 1006.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
27 The board shall manage, control, and administer the district's

1 hospitals and hospital system. (Acts 58th Leg., R.S., Ch. 238, Sec.  
2 5 (part).)

3       Sec. 1006.104. HOSPITAL SYSTEM. The district shall provide  
4 for the establishment of a hospital or hospital system in the  
5 district by:

6           (1) purchasing, constructing, acquiring, repairing,  
7 or renovating buildings and improvements;

8           (2) equipping the buildings and improvements; and

9           (3) administering the buildings and improvements for  
10 hospital purposes. (Acts 58th Leg., R.S., Ch. 238, Sec. 2 (part).)

11       Sec. 1006.105. RULES. The board may adopt rules for the  
12 operation of the district and as required to administer this  
13 chapter. (Acts 58th Leg., R.S., Ch. 238, Secs. 5 (part), 9 (part).)

14       Sec. 1006.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
15 board may prescribe:

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

18           (2) all accounting and control procedures. (Acts 58th  
19 Leg., R.S., Ch. 238, Sec. 9 (part).)

20       Sec. 1006.107. EMINENT DOMAIN. (a) The district may  
21 exercise the power of eminent domain to acquire a fee simple or  
22 other interest in any type of property located in district  
23 territory if the interest is necessary or convenient for the  
24 district to exercise a power, right, or privilege conferred by this  
25 chapter.

26           (b) The district must exercise the power of eminent domain  
27 in the manner provided by Chapter 21, Property Code. (Acts 58th

1 Leg., R.S., Ch. 238, Sec. 12.)

2 Sec. 1006.108. GIFTS AND ENDOWMENTS. The board may accept  
3 for the district a gift or endowment to be held in trust and  
4 administered by the board for the purposes and under the  
5 directions, limitations, or other provisions prescribed in writing  
6 by the donor that are not inconsistent with the proper management  
7 and objectives of the district. (Acts 58th Leg., R.S., Ch. 238,  
8 Sec. 15.)

9 Sec. 1006.109. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.

10 (a) The board may contract with a county or a municipality located  
11 outside the district for the care and treatment of sick or injured  
12 persons of that county or municipality.

13 (b) The board may contract with this state or a federal  
14 agency for the treatment of a sick or injured person for whom this  
15 state or the federal government is responsible. (Acts 58th Leg.,  
16 R.S., Ch. 238, Sec. 5 (part).)

17 Sec. 1006.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
18 When an individual who resides in the district is admitted to a  
19 district facility, the district administrator shall have an inquiry  
20 made into the circumstances of:

21 (1) the patient; and

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

24 (b) If the district administrator determines that the  
25 patient or those relatives cannot pay all or part of the costs of  
26 the patient's care and treatment, the amount of the costs that  
27 cannot be paid becomes a charge against the district.

1 (c) If the district administrator determines that the  
2 patient or those relatives can pay for all or part of the costs of  
3 the patient's care and treatment, the patient or those relatives  
4 shall be ordered to pay the district a specified amount each week  
5 for the patient's support. The amount ordered must be  
6 proportionate to financial ability and may not exceed the actual  
7 per capita cost of maintenance.

8 (d) The district administrator may collect the amount from  
9 the patient's estate, or from a relative who is legally liable for  
10 the patient's support, in the manner provided by law for the  
11 collection of expenses of the last illness of a deceased person.

12 (e) If there is a dispute as to the ability to pay or doubt  
13 in the mind of the district administrator, the board shall hold a  
14 hearing and, after calling witnesses, shall:

- 15 (1) resolve the dispute or doubt; and  
16 (2) issue an appropriate order. (Acts 58th Leg.,  
17 R.S., Ch. 238, Sec. 14.)

18 Sec. 1006.111. AUTHORITY TO SUE AND BE SUED. The district,  
19 through the board, may sue and be sued. (Acts 58th Leg., R.S., Ch.  
20 238, Sec. 5 (part).)

21 [Sections 1006.112-1006.150 reserved for expansion]

22 SUBCHAPTER D. FINANCIAL ADMINISTRATION OF DISTRICT

23 Sec. 1006.151. BUDGET. (a) The district administrator  
24 shall prepare an annual budget for approval by the board. The  
25 budget must be for the fiscal year prescribed by Section 1007.152.

26 (b) Not later than August 31 of each year, the board shall  
27 publish notice of a public hearing on the proposed budget. The

1 notice must be published one time in a newspaper of general  
2 circulation in the district at least 10 days before the date of the  
3 hearing. (Acts 58th Leg., R.S., Ch. 238, Secs. 6 (part), 16.)

4       Sec. 1006.152. FISCAL YEAR. The district operates on a  
5 fiscal year that begins on October 1 and ends on September 30.  
6 (Acts 58th Leg., R.S., Ch. 238, Sec. 6 (part).)

7       Sec. 1006.153. AUDIT. (a) The district shall have an audit  
8 made of the district's financial condition.

9       (b) The audit shall be open to inspection at all times at the  
10 district's principal office. (Acts 58th Leg., R.S., Ch. 238, Sec. 6  
11 (part).)

12       Sec. 1006.154. FINANCIAL REPORT. As soon as practicable  
13 after the close of each fiscal year, the district administrator  
14 shall prepare for the board:

15               (1) a complete sworn statement of all district money;  
16 and

17               (2) a complete account of the disbursements of that  
18 money. (Acts 58th Leg., R.S., Ch. 238, Sec. 6 (part).)

19       Sec. 1006.155. DEPOSITORY. (a) The board shall select one  
20 or more banks in the district to serve as a depository for district  
21 money.

22       (b) All district money shall be immediately deposited on  
23 receipt with a depository bank, except that sufficient money must  
24 be remitted to the appropriate bank to pay the principal of and  
25 interest on the district's outstanding bonds on or before the  
26 maturity date of the principal and interest.

27       (c) To the extent that money in a depository bank is not



1 insured by the Federal Deposit Insurance Corporation, the money  
2 must be secured in the manner provided by law for security of county  
3 funds.

4 (d) Membership on the district's board of an officer or  
5 director of a bank does not disqualify the bank from being  
6 designated as a depository bank. (Acts 58th Leg., R.S., Ch. 238,  
7 Sec. 10.)

8 Sec. 1006.156. BORROWING MONEY IN EMERGENCY; SECURITY. (a)  
9 The board may borrow money at a rate not to exceed the maximum  
10 annual percentage rate allowed by law for district obligations at  
11 the time the loan is made if the board declares that:

12 (1) money is not available to meet authorized  
13 obligations of the district; and

14 (2) an emergency exists.

15 (b) To secure a loan, the board may pledge:

16 (1) district revenues that are not pledged to pay  
17 bonded indebtedness of the district;

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

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

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

27 (d) The board may not spend money obtained from a loan under

1 this section for any purpose other than:

2 (1) the purpose for which the board declared an  
3 emergency; and

4 (2) if district taxes or bonds are pledged to pay the  
5 loan, the purpose for which the pledged taxes were imposed or the  
6 pledged bonds were authorized. (Acts 58th Leg., R.S., Ch. 238, Sec.  
7 7A.)

8 [Sections 1006.157-1006.200 reserved for expansion]

9 SUBCHAPTER E. BONDS

10 Sec. 1006.201. GENERAL OBLIGATION BONDS. (a) The board may  
11 issue and sell general obligation bonds in the name and on the faith  
12 and credit of the district to purchase, construct, acquire, repair,  
13 or renovate buildings or improvements and to equip buildings and  
14 improvements for a hospital and the hospital system.

15 (b) The board shall issue the bonds in compliance with the  
16 applicable provisions of Subtitles A and C, Title 9, Government  
17 Code. (Acts 58th Leg., R.S., Ch. 238, Sec. 7 (part).)

18 Sec. 1006.202. TAXES TO PAY GENERAL OBLIGATION BONDS. (a)  
19 At the time general obligation bonds are issued under Section  
20 1007.201, the board shall impose an ad valorem tax at a rate  
21 sufficient to:

22 (1) create an interest and sinking fund; and

23 (2) pay the principal of and interest on the bonds as  
24 the bonds mature.

25 (b) The tax required by this section together with any other  
26 tax the district imposes in any year may not exceed 75 cents on each  
27 \$100 assessed value of all taxable property in the district. (Acts

1 58th Leg., R.S., Ch. 238, Sec. 7 (part).)

2 Sec. 1006.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
3 board may issue general obligation bonds only if the bonds are  
4 authorized by a majority of the voters voting in an election held  
5 for that purpose.

6 (b) The board shall call the election. The election must be  
7 held in accordance with Chapter 1251, Government Code.

8 (c) The bond election order must specify:

- 9 (1) the date of the election;  
10 (2) the location of the polling places;  
11 (3) the presiding election officers;  
12 (4) the amount of the bonds to be authorized;  
13 (5) the maximum interest rate of the bonds; and  
14 (6) the maximum maturity of the bonds. (Acts 58th  
15 Leg., R.S., Ch. 238, Sec. 7 (part).)

16 Sec. 1006.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
17 The board president shall execute the general obligation bonds in  
18 the district's name.

19 (b) The board secretary shall attest the bonds as provided  
20 by Chapter 618, Government Code. (Acts 58th Leg., R.S., Ch. 238,  
21 Sec. 7 (part).)

22 Sec. 1006.205. REFUNDING BONDS. (a) The board may issue  
23 refunding bonds to refund outstanding general obligation bonds or  
24 other refundable indebtedness issued by the district.

25 (b) A refunding bond may be:

- 26 (1) sold, with the proceeds of the refunding bond  
27 applied to the payment of the bonds or other refundable

1 indebtedness to be refunded; or

2 (2) exchanged in whole or in part for not less than a  
3 like principal amount of the bonds or other refundable indebtedness  
4 to be refunded.

5 (c) If a refunding bond is sold, the bond must be issued and  
6 the payments must be made in the manner provided by Subchapters B  
7 and C, Chapter 1207, Government Code. (Acts 58th Leg., R.S., Ch.  
8 238, Sec. 7 (part).)

9 Sec. 1006.206. BONDS EXEMPT FROM TAXATION. The following  
10 are exempt from taxation by this state or a political subdivision of  
11 this state:

12 (1) bonds issued by the district;

13 (2) the transfer and issuance of the bonds; and

14 (3) the profit made in the sale of the bonds. (Acts  
15 58th Leg., R.S., Ch. 238, Sec. 8 (part).)

16 [Sections 1006.207-1006.250 reserved for expansion]

17 SUBCHAPTER F. TAXES

18 Sec. 1006.251. IMPOSITION OF AD VALOREM TAX. (a) The board  
19 shall impose a tax on all property subject to district taxation in  
20 the manner provided by law for county taxes.

21 (b) The board shall impose the tax to:

22 (1) pay the interest on and create a sinking fund for  
23 bonds issued by the district for hospital purposes;

24 (2) provide for the operation and maintenance of the  
25 district and hospital system;

26 (3) make improvements and additions to the hospital  
27 system; and

1           (4) acquire necessary sites for the hospital system by  
2 purchase, lease, or condemnation. (Acts 58th Leg., R.S., Ch. 238,  
3 Secs. 4 (part), 13 (part).)

4           Sec. 1006.252. TAX RATE. The tax rate may not exceed 75  
5 cents on each \$100 assessed value of all taxable property. (Acts  
6 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

7           Sec. 1006.253. TAX ASSESSOR-COLLECTOR. (a) The tax  
8 assessor-collector of Floyd County shall collect taxes imposed by  
9 the district and promptly transfer the money collected to the  
10 district depository.

11           (b) The assessor-collector shall receive the compensation  
12 provided for by contract with the district, except the compensation  
13 may not exceed the amount allowed for assessment and collection of  
14 county taxes. The compensation shall be deposited in the county's  
15 general fund and reported as fees of office of the  
16 assessor-collector. (Acts 58th Leg., R.S., Ch. 238, Sec. 13  
17 (part).)

18           CHAPTER 1008. CHILLICOTHE HOSPITAL DISTRICT

19                   SUBCHAPTER A. GENERAL PROVISIONS

20           Sec. 1008.001. DEFINITIONS

21           Sec. 1008.002. AUTHORITY FOR OPERATION

22           Sec. 1008.003. ESSENTIAL PUBLIC FUNCTION

23           Sec. 1008.004. DISTRICT TERRITORY

24           Sec. 1008.005. DISTRICT SUPPORT AND MAINTENANCE NOT

25                   STATE OBLIGATION

26           Sec. 1008.006. RESTRICTION ON STATE FINANCIAL

27                   ASSISTANCE

1 [Sections 1008.007-1008.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 1008.051. BOARD ELECTION; TERM

4 Sec. 1008.052. NOTICE OF ELECTION

5 Sec. 1008.053. BALLOT APPLICATION

6 Sec. 1008.054. QUALIFICATIONS FOR OFFICE

7 Sec. 1008.055. BOND; RECORD OF BOND AND OATH OR

8 AFFIRMATION OF OFFICE

9 Sec. 1008.056. BOARD VACANCY

10 Sec. 1008.057. OFFICERS

11 Sec. 1008.058. COMPENSATION

12 Sec. 1008.059. VOTING REQUIREMENT

13 Sec. 1008.060. DISTRICT ADMINISTRATOR

14 Sec. 1008.061. GENERAL DUTIES OF DISTRICT

15 ADMINISTRATOR

16 Sec. 1008.062. ATTORNEY; ASSISTANT DISTRICT

17 ADMINISTRATOR

18 Sec. 1008.063. APPOINTMENT AND RECRUITMENT OF STAFF

19 AND EMPLOYEES

20 Sec. 1008.064. PERSONNEL CONTRACTS

21 Sec. 1008.065. RETIREMENT BENEFITS

22 [Sections 1008.066-1008.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1008.101. DISTRICT RESPONSIBILITY

25 Sec. 1008.102. RESTRICTION ON POLITICAL SUBDIVISION

26 TAXATION AND DEBT

27 Sec. 1008.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

- 1    Sec. 1008.104.   HOSPITAL SYSTEM
- 2    Sec. 1008.105.   RULES
- 3    Sec. 1008.106.   PURCHASING AND ACCOUNTING PROCEDURES
- 4    Sec. 1008.107.   DISTRICT PROPERTY, FACILITIES, AND
- 5                    EQUIPMENT
- 6    Sec. 1008.108.   OPERATING AND MANAGEMENT CONTRACTS
- 7    Sec. 1008.109.   INTERLOCAL AGREEMENT
- 8    Sec. 1008.110.   SERVICE CONTRACTS
- 9    Sec. 1008.111.   EMINENT DOMAIN
- 10   Sec. 1008.112.   COST OF RELOCATING OR ALTERING PROPERTY
- 11   Sec. 1008.113.   GIFTS AND ENDOWMENTS
- 12   Sec. 1008.114.   CONTRACTS FOR SERVICES TO CERTAIN
- 13                    PERSONS
- 14   Sec. 1008.115.   PAYMENT FOR TREATMENT; PROCEDURES
- 15   Sec. 1008.116.   AUTHORITY TO SUE AND BE SUED
- 16   Sec. 1008.117.   ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS
- 17                    [Sections 1008.118-1008.150 reserved for expansion]
- 18                    SUBCHAPTER D. DISSOLUTION
- 19   Sec. 1008.151.   DISSOLUTION; ELECTION
- 20   Sec. 1008.152.   NOTICE OF ELECTION
- 21   Sec. 1008.153.   BALLOT
- 22   Sec. 1008.154.   ELECTION RESULTS
- 23   Sec. 1008.155.   TRANSFER OR ADMINISTRATION OF ASSETS
- 24   Sec. 1008.156.   SALE OR TRANSFER OF ASSETS AND
- 25                    LIABILITIES
- 26   Sec. 1008.157.   IMPOSITION OF TAX AND RETURN OF SURPLUS
- 27                    TAXES

1 Sec. 1008.158. REPORT; DISSOLUTION ORDER

2 [Sections 1008.159-1008.200 reserved for expansion]

3 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

4 Sec. 1008.201. BUDGET

5 Sec. 1008.202. NOTICE; HEARING; ADOPTION OF BUDGET

6 Sec. 1008.203. AMENDMENTS TO BUDGET

7 Sec. 1008.204. RESTRICTION ON EXPENDITURES

8 Sec. 1008.205. FISCAL YEAR

9 Sec. 1008.206. ANNUAL AUDIT

10 Sec. 1008.207. INSPECTION OF ANNUAL AUDIT AND DISTRICT

11 RECORDS

12 Sec. 1008.208. FINANCIAL REPORT

13 Sec. 1008.209. DEPOSITORY

14 Sec. 1008.210. SPENDING AND INVESTMENT RESTRICTIONS

15 Sec. 1008.211. AUTHORITY TO BORROW MONEY; SECURITY

16 [Sections 1008.212-1008.250 reserved for expansion]

17 SUBCHAPTER F. BONDS

18 Sec. 1008.251. GENERAL OBLIGATION BONDS

19 Sec. 1008.252. TAX TO PAY GENERAL OBLIGATION BONDS

20 Sec. 1008.253. GENERAL OBLIGATION BOND ELECTION

21 Sec. 1008.254. MATURITY OF GENERAL OBLIGATION BONDS

22 Sec. 1008.255. EXECUTION OF GENERAL OBLIGATION BONDS

23 Sec. 1008.256. REVENUE BONDS

24 Sec. 1008.257. REFUNDING BONDS

25 Sec. 1008.258. BONDS EXEMPT FROM TAXATION

26 [Sections 1008.259-1008.300 reserved for expansion]



SUBCHAPTER G. TAXES

Sec. 1008.301. IMPOSITION OF AD VALOREM TAX

Sec. 1008.302. TAX RATE

Sec. 1008.303. TAX ASSESSOR-COLLECTOR

CHAPTER 1008. CHILLICOTHE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1008.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Chillicothe Hospital District. (Acts 66th Leg., R.S., Ch. 74, Sec. 1 (part); New.)

Sec. 1008.002. AUTHORITY FOR OPERATION. The Chillicothe Hospital District operates and is administered and financed in accordance with Section 9, Article IX, Texas Constitution. (Acts 66th Leg., R.S., Ch. 74, Sec. 1 (part).)

Sec. 1008.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter. (Acts 66th Leg., R.S., Ch. 74, Sec. 20 (part).)

Sec. 1008.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of County Commissioners Precinct No. 3 of Hardeman County, Texas, as those boundaries existed on April 26, 1979. (Acts 66th Leg., R.S., Ch. 74, Sec. 1 (part).)

Sec. 1008.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support or maintenance of the district may not become a charge against or obligation of this state. (Acts 66th

1 Leg., R.S., Ch. 74, Sec. 19 (part).)

2 Sec. 1008.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
3 The legislature may not make a direct appropriation for the  
4 construction, maintenance, or improvement of a district facility.  
5 (Acts 66th Leg., R.S., Ch. 74, Sec. 19 (part).)

6 [Sections 1008.007-1008.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1008.051. BOARD ELECTION; TERM. (a) The board  
9 consists of seven directors elected from the district at large.

10 (b) The board shall declare the results of the election.

11 (c) Directors serve staggered two-year terms unless  
12 four-year terms are established under Section 285.081, Health and  
13 Safety Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 3(d) (part), (f)  
14 (part).)

15 Sec. 1008.052. NOTICE OF ELECTION. At least 30 days before  
16 the date of an election of directors, notice of the election shall  
17 be published one time in a newspaper or newspapers that  
18 individually or collectively have general circulation in the  
19 district. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(f) (part).)

20 Sec. 1008.053. BALLOT APPLICATION. (a) A person must file  
21 an application with the board secretary to have the person's name  
22 printed on the ballot as a candidate for director.

23 (b) The application must be filed at least 45 days before  
24 the date of the election. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(f)  
25 (part).)

26 Sec. 1008.054. QUALIFICATIONS FOR OFFICE. (a) A person may  
27 not be elected or appointed as a director unless the person is:

- 1 (1) a resident of the district; and
- 2 (2) a qualified voter.

3 (b) A person is not eligible to serve as a director if the  
4 person is:

- 5 (1) the district administrator;
- 6 (2) the attorney for the district; or
- 7 (3) a district employee. (Acts 66th Leg., R.S., Ch.  
8 74, Sec. 3(h).)

9 Sec. 1008.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION  
10 OF OFFICE. (a) Each director may be required to execute a good and  
11 sufficient bond for \$5,000 that is:

- 12 (1) approved by the Commissioners Court of Hardeman  
13 County;
- 14 (2) payable to the district; and
- 15 (3) conditioned on the faithful performance of the  
16 director's duties.

17 (b) The district may pay for the directors' bonds with  
18 district money.

19 (c) Each director's bond and constitutional oath or  
20 affirmation of office shall be kept in the permanent records of the  
21 district. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(g).)

22 Sec. 1008.056. BOARD VACANCY. If a vacancy occurs in the  
23 office of director, the remaining directors shall appoint a  
24 director for the unexpired term. (Acts 66th Leg., R.S., Ch. 74,  
25 Sec. 3(f) (part).)

26 Sec. 1008.057. OFFICERS. (a) The board shall elect:

- 27 (1) a president and a vice president from among its

1 members; and

2 (2) a secretary, who need not be a director.

3 (b) Each officer of the board serves for a term of one year.

4 (c) The board shall fill a vacancy in a board office for the  
5 unexpired term. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(i) (part).)

6 Sec. 1008.058. COMPENSATION. A director or officer serves  
7 without compensation but may be reimbursed for actual expenses  
8 incurred in the performance of official duties. The expenses must  
9 be:

10 (1) reported in the district's records; and

11 (2) approved by the board. (Acts 66th Leg., R.S., Ch.  
12 74, Sec. 3(i) (part).)

13 Sec. 1008.059. VOTING REQUIREMENT. A concurrence of four  
14 directors is sufficient in any matter relating to district  
15 business. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(i) (part).)

16 Sec. 1008.060. DISTRICT ADMINISTRATOR. (a) The board may  
17 appoint a qualified person as district administrator.

18 (b) The district administrator serves at the will of the  
19 board and is entitled to the compensation determined by the board.

20 (c) On assuming the duties of district administrator, the  
21 administrator may execute a bond payable to the district in an  
22 amount set by the board of not less than \$5,000 that:

23 (1) is conditioned on the administrator performing the  
24 administrator's required duties; and

25 (2) contains other conditions the board may require.

26 (d) The board may pay for the bond with district money.  
27 (Acts 66th Leg., R.S., Ch. 74, Sec. 4(a) (part).)

1           Sec. 1008.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

2 Subject to the limitations prescribed by the board, the district  
3 administrator shall:

4           (1) supervise the work and activities of the district;  
5 and

6           (2) direct the affairs of the district. (Acts 66th  
7 Leg., R.S., Ch. 74, Sec. 4(a) (part).)

8           Sec. 1008.062. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR.

9 (a) The board may appoint qualified persons as:

10           (1) the attorney for the district; and

11           (2) the assistant district administrator.

12           (b) The attorney for the district and the assistant district  
13 administrator serve at the will of the board and are entitled to the  
14 compensation determined by the board. (Acts 66th Leg., R.S., Ch.  
15 74, Sec. 4(a) (part).)

16           Sec. 1008.063. APPOINTMENT AND RECRUITMENT OF STAFF AND  
17 EMPLOYEES. (a) The board may appoint to the staff any physicians  
18 the board considers necessary for the efficient operation of the  
19 district and may make temporary appointments as necessary.

20           (b) The district may employ fiscal agents, accountants,  
21 architects, and attorneys the board considers proper.

22           (c) The board may delegate to the district administrator the  
23 authority to hire district employees, including technicians and  
24 nurses.

25           (d) The board may spend district money to recruit  
26 physicians, nurses, and other trained medical personnel. The board  
27 may pay the tuition or other expenses of a full-time medical student

1 or other student in a health occupation who:

2 (1) is enrolled in and is in good standing at an  
3 accredited medical school, college, or university; and

4 (2) contractually agrees to become a district employee  
5 or independent contractor in return for that assistance. (Acts  
6 66th Leg., R.S., Ch. 74, Secs. 4(a) (part), (h), 15.)

7 Sec. 1008.064. PERSONNEL CONTRACTS. (a) The board may  
8 contract to provide administrative or other personnel for the  
9 operation of the hospital facilities.

10 (b) The contract may not have a term of more than 25 years.  
11 (Acts 66th Leg., R.S., Ch. 74, Sec. 4(e).)

12 Sec. 1008.065. RETIREMENT BENEFITS. The board may provide  
13 retirement benefits for district employees by:

14 (1) establishing or administering a retirement  
15 program; or

16 (2) participating in:

17 (A) the Texas County and District Retirement  
18 System; or

19 (B) another statewide retirement system in which  
20 the district is eligible to participate. (Acts 66th Leg., R.S., Ch.  
21 74, Sec. 4(g).)

22 [Sections 1008.066-1008.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 1008.101. DISTRICT RESPONSIBILITY. The district has  
25 full responsibility to:

26 (1) operate all hospital facilities; and

27 (2) provide medical and hospital care for the

1 district's needy residents. (Acts 66th Leg., R.S., Ch. 74, Sec. 18  
2 (part).)

3 Sec. 1008.102. RESTRICTION ON POLITICAL SUBDIVISION  
4 TAXATION AND DEBT. A political subdivision located wholly or  
5 partly within the district may not impose a tax or issue bonds or  
6 other obligations for hospital purposes or to provide medical care  
7 for district residents. (Acts 66th Leg., R.S., Ch. 74, Sec. 18  
8 (part).)

9 Sec. 1008.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
10 The board shall manage, control, and administer the hospital system  
11 and the district's money and resources. (Acts 66th Leg., R.S., Ch.  
12 74, Sec. 4(a) (part).)

13 Sec. 1008.104. HOSPITAL SYSTEM. (a) The district shall  
14 provide for the establishment of a hospital system by:

15 (1) acquiring, purchasing, constructing, repairing,  
16 or renovating buildings and equipment;

17 (2) equipping the buildings; and

18 (3) administering the system for hospital purposes.

19 (b) The hospital system may include any facilities the board  
20 considers necessary for hospital care. (Acts 66th Leg., R.S., Ch.  
21 74, Secs. 2 (part), 9(a) (part).)

22 Sec. 1008.105. RULES. The board may adopt rules governing  
23 the operation of the hospital, the hospital system, and the  
24 district's staff and employees. (Acts 66th Leg., R.S., Ch. 74, Sec.  
25 4(a) (part).)

26 Sec. 1008.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
27 board may prescribe:

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

3           (2) all accounting and control procedures. (Acts 66th  
4 Leg., R.S., Ch. 74, Sec. 9(b) (part).)

5           Sec. 1008.107. DISTRICT PROPERTY, FACILITIES, AND  
6 EQUIPMENT. (a) The board shall determine the type, number, and  
7 location of buildings required to maintain an adequate hospital  
8 system.

9           (b) The board may:

10           (1) purchase or lease property, including facilities  
11 or equipment, for the district to use in the hospital system; and

12           (2) mortgage or pledge the property as security for  
13 the payment of the purchase price.

14           (c) The board may lease district hospital facilities to  
15 individuals, corporations, or other legal entities.

16           (d) The board may sell or otherwise dispose of the  
17 district's property. (Acts 66th Leg., R.S., Ch. 74, Secs. 4(b),  
18 (f), 9(a) (part), (b) (part).)

19           Sec. 1008.108. OPERATING AND MANAGEMENT CONTRACTS. The  
20 board may enter into an operating or management contract relating  
21 to a district facility. (Acts 66th Leg., R.S., Ch. 74, Sec. 9(a)  
22 (part).)

23           Sec. 1008.109. INTERLOCAL AGREEMENT. The board may enter  
24 into an interlocal agreement with another political subdivision to  
25 operate the district. (Acts 66th Leg., R.S., Ch. 74, Sec. 4(d).)

26           Sec. 1008.110. SERVICE CONTRACTS. The board may contract  
27 with a political subdivision or governmental agency for the



1 district to provide investigatory or other services as to  
2 facilities for the medical care, hospital, or welfare needs of  
3 district residents. (Acts 66th Leg., R.S., Ch. 74, Sec. 4(c)  
4 (part).)

5 Sec. 1008.111. EMINENT DOMAIN. (a) The district may  
6 exercise the power of eminent domain to acquire a fee simple or  
7 other interest in any type of property located in district  
8 territory if the interest is necessary or convenient for the  
9 district to exercise a right, power, or privilege conferred by this  
10 chapter.

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

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

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

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

21 (3) provide a bond for costs or a supersedeas bond on  
22 an appeal or writ of error. (Acts 66th Leg., R.S., Ch. 74, Sec.  
23 13(a).)

24 Sec. 1008.112. COST OF RELOCATING OR ALTERING PROPERTY. In  
25 exercising the power of eminent domain, if the board requires  
26 relocating, raising, lowering, rerouting, changing the grade of, or  
27 altering the construction of any railroad, electric transmission,

1 telegraph or telephone lines, conduits, poles, or facilities, or  
2 pipeline, the district must bear the actual cost of relocating,  
3 raising, lowering, rerouting, changing the grade, or altering the  
4 construction to provide comparable replacement without enhancement  
5 of facilities, after deducting the net salvage value derived from  
6 the old facility. (Acts 66th Leg., R.S., Ch. 74, Sec. 13(b).)

7       Sec. 1008.113. GIFTS AND ENDOWMENTS. The board may accept  
8 for the district a gift or endowment to be held in trust for a  
9 purpose and under a written direction, limitation, or provision of  
10 the donor that is consistent with the proper management and  
11 objectives of the district. (Acts 66th Leg., R.S., Ch. 74, Sec.  
12 17.)

13       Sec. 1008.114. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.  
14 (a) The board may contract with a county or municipality located  
15 outside the district's boundaries to reimburse the district for the  
16 care and treatment of a sick or injured person of that county or  
17 municipality.

18       (b) The board may contract with this state or a federal  
19 agency for the state or agency to reimburse the district for the  
20 treatment of a sick or injured person. (Acts 66th Leg., R.S., Ch.  
21 74, Sec. 4(c) (part).)

22       Sec. 1008.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)  
23 When a patient who resides in the district is admitted to a district  
24 facility, the district administrator may have an inquiry made into  
25 the circumstances of:

- 26               (1) the patient; and  
27               (2) the patient's relatives who are legally liable for

1 the patient's support.

2 (b) If the district administrator determines that the  
3 patient or those relatives cannot pay all or part of the costs of  
4 the care and treatment in the hospital, the amount of the costs that  
5 cannot be paid becomes a charge against the district.

6 (c) If the district administrator determines that the  
7 patient or those relatives can pay for all or part of the costs of  
8 the patient's care and treatment, the patient or those relatives  
9 shall be ordered to pay the district a specified amount each week  
10 for the patient's support. The amount ordered must be  
11 proportionate to the person's financial ability.

12 (d) The district administrator may collect the amount from  
13 the patient's estate, or from any relative who is legally liable for  
14 the patient's support, in the manner provided by law for the  
15 collection of expenses of the last illness of a deceased person.

16 (e) If there is a dispute as to the ability to pay, or doubt  
17 in the mind of the district administrator, the board shall hold a  
18 hearing and, after calling witnesses, shall:

19 (1) resolve the dispute or doubt; and

20 (2) issue a final order.

21 (f) The final order may be appealed to the district court.  
22 The substantial evidence rule applies to the appeal. (Acts 66th  
23 Leg., R.S., Ch. 74, Sec. 16.)

24 Sec. 1008.116. AUTHORITY TO SUE AND BE SUED. The district,  
25 through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch.  
26 74, Sec. 4(a) (part).)

27 Sec. 1008.117. ADVERTISING FOR CERTAIN CONSTRUCTION

1 CONTRACTS. Contracts for construction involving the expenditure of  
2 more than \$15,000 may be made only after advertising as provided by  
3 Subchapter B, Chapter 271, Local Government Code. (Acts 66th Leg.,  
4 R.S., Ch. 74, Sec. 9(b) (part).)

5 [Sections 1008.118-1008.150 reserved for expansion]

6 SUBCHAPTER D. DISSOLUTION

7 Sec. 1008.151. DISSOLUTION; ELECTION. (a) The district  
8 may be dissolved only on approval of a majority of the voters voting  
9 in an election held for that purpose.

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

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

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

19 (e) The order calling the election must state:

20 (1) the nature of the election, including the  
21 proposition to appear on the ballot;

22 (2) the date of the election;

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

24 (4) the location of the polling places.

25 (f) Section 41.001(a), Election Code, does not apply to an  
26 election ordered under this section. (Acts 66th Leg., R.S., Ch. 74,  
27 Secs. 21A(a), (b), (c).)

1           Sec. 1008.152. NOTICE OF ELECTION. (a) The board shall  
2 give notice of an election under this subchapter by publishing once  
3 a week for two consecutive weeks the election order in a newspaper  
4 with general circulation in the district.

5           (b) The first publication of the notice must appear not  
6 later than the 35th day before the date set for the election. (Acts  
7 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

8           Sec. 1008.153. BALLOT. The ballot for an election under  
9 this subchapter must be printed to permit voting for or against the  
10 proposition: "The dissolution of the Chillicothe Hospital  
11 District." (Acts 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

12           Sec. 1008.154. ELECTION RESULTS. (a) If a majority of the  
13 votes in an election under this subchapter favor dissolution, the  
14 board shall find that the district is dissolved.

15           (b) If a majority of the votes in the election do not favor  
16 dissolution, the board shall continue to administer the district  
17 and another election on the question of dissolution may not be held  
18 before the first anniversary of the date of the most recent election  
19 to dissolve the district. (Acts 66th Leg., R.S., Ch. 74, Sec.  
20 21A(e).)

21           Sec. 1008.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
22 If a majority of the votes in the election held under this  
23 subchapter favor dissolution, the board shall:

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

27           (2) administer the property, assets, and debts until

1 all money has been disposed of and all district debts have been paid  
2 or settled.

3 (b) If the board makes the transfer under Subsection (a)(1),  
4 the county or agency assumes all debts and obligations of the  
5 district at the time of the transfer, and the district is dissolved.  
6 (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(f), (g).)

7 Sec. 1008.156. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

8 (a) Notwithstanding any other provision of this subchapter, the  
9 district may not be dissolved unless the board provides for the sale  
10 or transfer of the district's assets and liabilities to another  
11 person or entity.

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

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

27 (d) A grant from federal funds is an obligation to be repaid

1 in satisfaction. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(m), (n).)

2 Sec. 1008.157. IMPOSITION OF TAX AND RETURN OF SURPLUS  
3 TAXES. (a) After the board finds that the district is dissolved,  
4 the board shall:

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

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

9 (b) On the payment of all outstanding debts and obligations  
10 of the district, the board shall order the secretary to return to  
11 each district taxpayer the taxpayer's pro rata share of all unused  
12 tax money.

13 (c) A taxpayer may request that the taxpayer's share of  
14 surplus tax money be credited to the taxpayer's county taxes. If a  
15 taxpayer requests the credit, the board shall direct the secretary  
16 to transmit the money to the county tax assessor-collector. (Acts  
17 66th Leg., R.S., Ch. 74, Secs. 21A(h), (i), (j).)

18 Sec. 1008.158. REPORT; DISSOLUTION ORDER. (a) After the  
19 district has paid all its debts and has disposed of all its money  
20 and other assets as prescribed by this subchapter, the board shall  
21 file a written report with the Commissioners Court of Hardeman  
22 County summarizing the board's actions in dissolving the district.

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

1 obligation. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(k), (1).)

2 [Sections 1008.159-1008.200 reserved for expansion]

3 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

4 Sec. 1008.201. BUDGET. (a) The district administrator  
5 shall prepare an annual budget for approval by the board.

6 (b) The proposed budget must contain a complete financial  
7 statement of:

8 (1) the outstanding obligations of the district;

9 (2) the amount of cash on hand in each district fund;

10 (3) the amount of money received by the district from  
11 all sources during the previous year;

12 (4) the amount of money available to the district from  
13 all sources during the ensuing year;

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

16 (6) the estimated amount of revenues and balances  
17 available to cover the proposed budget; and

18 (7) the estimated tax rate required. (Acts 66th Leg.,  
19 R.S., Ch. 74, Sec. 5 (part).)

20 Sec. 1008.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)  
21 The board shall hold a public hearing on the proposed annual budget.

22 (b) The board shall publish notice of the hearing in  
23 accordance with Subchapter C, Chapter 551, Government Code.

24 (c) Any district resident is entitled to be present and  
25 participate at the hearing.

26 (d) At the conclusion of the hearing, the board shall adopt  
27 a budget by acting on the budget proposed by the district



1 administrator. The board may make any changes in the proposed  
2 budget that the board judges to be in the interests of the taxpayers  
3 and that the law warrants.

4 (e) The budget is effective only after adoption by the  
5 board. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

6 Sec. 1008.203. AMENDMENTS TO BUDGET. The budget may be  
7 amended as required by circumstances. The board must approve all  
8 amendments. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

9 Sec. 1008.204. RESTRICTION ON EXPENDITURES. Money may be  
10 spent only for an expense included in the budget or an amendment to  
11 the budget. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

12 Sec. 1008.205. FISCAL YEAR. (a) The district operates  
13 according to a fiscal year established by the board.

14 (b) The fiscal year may not be changed:

15 (1) during a period that revenue bonds of the district  
16 are outstanding; or

17 (2) more than once in a 24-month period. (Acts 66th  
18 Leg., R.S., Ch. 74, Sec. 5 (part).)

19 Sec. 1008.206. ANNUAL AUDIT. The board annually shall have  
20 an audit made of the district's financial condition. (Acts 66th  
21 Leg., R.S., Ch. 74, Sec. 5 (part).)

22 Sec. 1008.207. INSPECTION OF ANNUAL AUDIT AND DISTRICT  
23 RECORDS. The annual audit and other district records shall be open  
24 to inspection at the district's principal office. (Acts 66th Leg.,  
25 R.S., Ch. 74, Sec. 5 (part).)

26 Sec. 1008.208. FINANCIAL REPORT. As soon as practicable  
27 after the close of each fiscal year, the district administrator

1 shall prepare for the board:

2 (1) a complete sworn statement of all district money;  
3 and

4 (2) a complete account of the disbursements of that  
5 money. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

6 Sec. 1008.209. DEPOSITORY. (a) The board shall select one  
7 or more banks inside or outside the district to serve as a  
8 depository for district money.

9 (b) District money, other than money invested as provided by  
10 Section 1008.210, and money transmitted to a bank for payment of  
11 bonds or obligations issued or assumed by the district, shall be  
12 deposited as received with the depository bank and shall remain on  
13 deposit.

14 (c) This chapter, including Subsection (b), does not limit  
15 the power of the board to place a part of district money on time  
16 deposit or to purchase certificates of deposit.

17 (d) The district may not deposit money with a bank in an  
18 amount that exceeds the maximum amount secured by the Federal  
19 Deposit Insurance Corporation unless the bank has first executed a  
20 bond or other security in an amount sufficient to secure from loss  
21 the district money that exceeds the amount secured by the Federal  
22 Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 74, Sec.  
23 10.)

24 Sec. 1008.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)  
25 Except as otherwise provided by this chapter, the district may not  
26 incur an obligation payable from district revenues other than the  
27 revenues on hand or to be on hand in the current and following

1 district fiscal years.

2 (b) The board may invest operating, depreciation, or  
3 building reserves only in funds or securities specified by Chapter  
4 2256, Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 4(a)  
5 (part), 9(b) (part).)

6 Sec. 1008.211. AUTHORITY TO BORROW MONEY; SECURITY. (a)  
7 The board may borrow money for district obligations at the time the  
8 loan is made.

9 (b) To secure a loan, the board may pledge:

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

12 (2) a district tax to be imposed by the district in the  
13 next 12-month period that is not pledged to pay the principal of or  
14 interest on district bonds; or

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

17 (c) A loan for which taxes or bonds are pledged must mature  
18 not later than the first anniversary of the date the loan is made. A  
19 loan for which district revenue is pledged must mature not later  
20 than the fifth anniversary of the date the loan is made. (Acts 66th  
21 Leg., R.S., Ch. 74, Sec. 14A.)

22 [Sections 1008.212-1008.250 reserved for expansion]

23 SUBCHAPTER F. BONDS

24 Sec. 1008.251. GENERAL OBLIGATION BONDS. The board may  
25 issue and sell general obligations bonds in the name and on the  
26 faith and credit of the district for any purpose relating to:

27 (1) the purchase, construction, acquisition, repair,

1 or renovation of buildings or improvements; and

2 (2) equipping buildings or improvements for hospital  
3 purposes. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

4 Sec. 1008.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
5 the time general obligation bonds are issued by the district under  
6 Section 1008.251, the board shall impose an ad valorem tax at a rate  
7 sufficient to create an interest and sinking fund to pay the  
8 principal of and interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other  
10 tax the district imposes in any year may not exceed the limit  
11 approved by the voters at the election authorizing the imposition  
12 of the tax. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

13 Sec. 1008.253. GENERAL OBLIGATION BOND ELECTION. (a) The  
14 district may issue general obligation bonds only if the bonds are  
15 authorized by a majority of the voters voting at an election held  
16 for that purpose.

17 (b) The board must specify in the order calling the  
18 election:

19 (1) the date of the election;

20 (2) the hours during which the polls must be open;

21 (3) the location of the polling places;

22 (4) the presiding and alternate election judges for  
23 each polling place;

24 (5) the amount of the bonds to be authorized; and

25 (6) the maximum maturity of the bonds.

26 (c) Notice of a bond election shall be given as provided by  
27 Section 1251.003, Government Code.

1 (d) Chapter 41, Election Code, does not apply to an election  
2 held under this section.

3 (e) The board shall declare the results of the election.  
4 (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

5 Sec. 1008.254. MATURITY OF GENERAL OBLIGATION BONDS.  
6 District general obligation bonds must mature not later than 40  
7 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 74,  
8 Sec. 6(c) (part).)

9 Sec. 1008.255. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
10 The board president shall execute the general obligation bonds in  
11 the district's name.

12 (b) The board secretary shall countersign the bonds in the  
13 manner provided by Chapter 618, Government Code. (Acts 66th Leg.,  
14 R.S., Ch. 74, Sec. 6(c) (part).)

15 Sec. 1008.256. REVENUE BONDS. (a) The board may issue  
16 revenue bonds to:

17 (1) purchase, construct, acquire, repair, renovate,  
18 or equip buildings or improvements for hospital purposes; or

19 (2) acquire sites to be used for hospital purposes.

20 (b) The bonds must be payable from and secured by a pledge of  
21 all or part of the revenues derived from the operation of the  
22 district's hospitals.

23 (c) The bonds may be additionally secured by a mortgage or  
24 deed of trust lien on all or part of district property.

25 (d) The bonds must be issued in the manner and in accordance  
26 with the procedures and requirements prescribed by Sections  
27 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for

1 issuance of revenue bonds by a county hospital authority. (Acts  
2 66th Leg., R.S., Ch. 74, Sec. 8 (part).)

3 Sec. 1008.257. REFUNDING BONDS. (a) The board may, without  
4 an election, issue refunding bonds to refund outstanding bonds  
5 issued or assumed by the district.

6 (b) A refunding bond may be:

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

9 (2) exchanged in whole or in part for not less than a  
10 similar principal amount of outstanding indebtedness.

11 (c) If a refunding bond is sold, the bond must be issued and  
12 the payments must be made in the manner provided by Chapter 1207,  
13 Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 6(a) (part),  
14 (b), 8 (part).)

15 Sec. 1008.258. BONDS EXEMPT FROM TAXATION. The following  
16 are exempt from taxation by this state or a political subdivision of  
17 this state:

18 (1) bonds issued by the district;

19 (2) the transfer and issuance of the bonds; or

20 (3) profits made in the sale of the bonds. (Acts 66th  
21 Leg., R.S., Ch. 74, Sec. 20 (part).)

22 [Sections 1008.259-1008.300 reserved for expansion]

23 SUBCHAPTER G. TAXES

24 Sec. 1008.301. IMPOSITION OF AD VALOREM TAX. (a) The board  
25 shall impose a tax on all property in the district subject to  
26 district taxation.

27 (b) The tax may be used to pay:

1           (1) indebtedness issued or assumed by the district;  
2 and

3           (2) the maintenance and operating expenses of the  
4 district.

5           (c) The district may not impose a tax to pay the principal of  
6 or interest on revenue bonds issued under this chapter. (Acts 66th  
7 Leg., R.S., Ch. 74, Secs. 11(a) (part), 14(a) (part), (c), (d).)

8           Sec. 1008.302. TAX RATE. (a) The board may impose the tax  
9 at a rate not to exceed the limit approved by the voters at the  
10 election authorizing the imposition of the tax.

11           (b) The tax rate on all taxable property in the district for  
12 all purposes may not exceed 75 cents on each \$100 valuation of all  
13 taxable property in the district.

14           (c) In setting the tax rate, the board shall consider the  
15 income of the district from sources other than taxation. (Acts 66th  
16 Leg., R.S., Ch. 74, Secs. 11(a) (part), (b) (part), 14(b).)

17           Sec. 1008.303. TAX ASSESSOR-COLLECTOR. The board may  
18 provide for the appointment of a tax assessor-collector for the  
19 district or may contract for the assessment and collection of taxes  
20 as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 74, Sec.  
21 14(f).)

22           CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

23                   SUBCHAPTER A. GENERAL PROVISIONS

24           Sec. 1009.001. DEFINITIONS

25           Sec. 1009.002. AUTHORITY FOR CREATION

26           Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION

27           Sec. 1009.004. DISTRICT TERRITORY

1 Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT  
2 STATE OBLIGATION

3 Sec. 1009.006. RESTRICTION ON STATE FINANCIAL  
4 ASSISTANCE

5 [Sections 1009.007-1009.050 reserved for expansion]

6 SUBCHAPTER B. DISTRICT ADMINISTRATION

7 Sec. 1009.051. BOARD; ELECTION

8 Sec. 1009.052. TERM

9 Sec. 1009.053. NOTICE OF ELECTION

10 Sec. 1009.054. BALLOT PETITION

11 Sec. 1009.055. QUALIFICATIONS FOR OFFICE

12 Sec. 1009.056. FILING OF OATH

13 Sec. 1009.057. BOARD VACANCY

14 Sec. 1009.058. OFFICERS

15 Sec. 1009.059. COMPENSATION

16 Sec. 1009.060. VOTING REQUIREMENT

17 Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC  
18 INSPECTION

19 Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT  
20 ADMINISTRATOR

21 Sec. 1009.063. GENERAL DUTIES OF DISTRICT  
22 ADMINISTRATOR

23 Sec. 1009.064. EMPLOYEES

24 Sec. 1009.065. RETIREMENT PROGRAM

25 [Sections 1009.066-1009.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 1009.101. DISTRICT RESPONSIBILITY



- 1 Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION
- 2                   TAXATION AND DEBT
- 3 Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION
- 4 Sec. 1009.104. HOSPITAL SYSTEM
- 5 Sec. 1009.105. RULES
- 6 Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES
- 7 Sec. 1009.107. RATES AND CHARGES
- 8 Sec. 1009.108. HOSPITAL LEASE
- 9 Sec. 1009.109. EMINENT DOMAIN
- 10 Sec. 1009.110. GIFTS AND ENDOWMENTS
- 11 Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN
- 12                   PERSONS
- 13 Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES
- 14 Sec. 1009.113. AUTHORITY TO SUE AND BE SUED
- 15           [Sections 1009.114-1009.150 reserved for expansion]
- 16                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 17 Sec. 1009.151. BUDGET; NOTICE OF HEARING
- 18 Sec. 1009.152. FISCAL YEAR
- 19 Sec. 1009.153. ANNUAL AUDIT
- 20 Sec. 1009.154. FINANCIAL REPORT
- 21 Sec. 1009.155. DEPOSITORY
- 22           [Sections 1009.156-1009.200 reserved for expansion]
- 23                   SUBCHAPTER E. BONDS
- 24 Sec. 1009.201. GENERAL OBLIGATION BONDS
- 25 Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS
- 26 Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION
- 27 Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS

1 Sec. 1009.205. REFUNDING BONDS

2 Sec. 1009.206. BONDS EXEMPT FROM TAXATION

3 [Sections 1009.207-1009.250 reserved for expansion]

4 SUBCHAPTER F. TAXES

5 Sec. 1009.251. IMPOSITION OF AD VALOREM TAX

6 Sec. 1009.252. TAX ASSESSOR-COLLECTOR

7 CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 1009.001. DEFINITIONS. In this chapter:

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

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

13 (3) "District" means the Cochran Memorial Hospital  
14 District. (New.)

15 Sec. 1009.002. AUTHORITY FOR CREATION. The Cochran  
16 Memorial Hospital District is created under the authority of  
17 Section 9, Article IX, Texas Constitution. (Acts 60th Leg., R.S.,  
18 Ch. 494, Sec. 1 (part).)

19 Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION. The district  
20 performs an essential public function in carrying out the purposes  
21 of this chapter. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

22 Sec. 1009.004. DISTRICT TERRITORY. The boundaries of the  
23 district are coextensive with the boundaries of Cochran County,  
24 Texas. (Acts 60th Leg., R.S., Ch. 494, Sec. 1 (part).)

25 Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE  
26 OBLIGATION. The support and maintenance of the district may not  
27 become a charge against or obligation of this state. (Acts 60th

1 Leg., R.S., Ch. 494, Sec. 18 (part).)

2 Sec. 1009.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.  
3 The legislature may not make a direct appropriation for the  
4 construction, maintenance, or improvement of a district facility.  
5 (Acts 60th Leg., R.S., Ch. 494, Sec. 18 (part).)

6 [Sections 1009.007-1009.050 reserved for expansion]

7 SUBCHAPTER B. DISTRICT ADMINISTRATION

8 Sec. 1009.051. BOARD; ELECTION. (a) The board consists of  
9 five elected directors.

10 (b) One director is elected from each county commissioners  
11 precinct and one director is elected from the district at large.  
12 (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

13 Sec. 1009.052. TERM. Directors serve staggered two-year  
14 terms unless a four-year term is established under Section 285.081,  
15 Health and Safety Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 4  
16 (part).)

17 Sec. 1009.053. NOTICE OF ELECTION. At least 10 days before  
18 the date of an election of directors, notice of the election shall  
19 be published one time in a newspaper of general circulation in  
20 Cochran County. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

21 Sec. 1009.054. BALLOT PETITION. (a) A person who wants to  
22 have the person's name printed on the ballot as a candidate for  
23 director must file a petition requesting that action.

24 (b) The petition must be:

25 (1) signed by at least 10 qualified voters; and

26 (2) filed at least 25 days before the date of the  
27 election. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

1           Sec. 1009.055. QUALIFICATIONS FOR OFFICE. To qualify for  
2 election to the board, a person must:

3                   (1) be a resident of Cochran County; and

4                   (2) own property in Cochran County subject to  
5 taxation. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

6           Sec. 1009.056. FILING OF OATH. The constitutional oath of  
7 office executed by a director must be filed in the district's  
8 office. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

9           Sec. 1009.057. BOARD VACANCY. (a) If a vacancy occurs in  
10 the office of director, the remaining directors shall appoint a  
11 director for the unexpired term.

12                   (b) If the number of directors is reduced to fewer than  
13 three for any reason, the remaining directors shall immediately  
14 call a special election to fill the vacancies. If the remaining  
15 directors do not call the election, the county judge of Cochran  
16 County may fill the vacancies by appointment. (Acts 60th Leg.,  
17 R.S., Ch. 494, Sec. 4 (part).)

18           Sec. 1009.058. OFFICERS. The board shall elect from among  
19 its members a president, vice president, and secretary. (Acts 60th  
20 Leg., R.S., Ch. 494, Sec. 4 (part).)

21           Sec. 1009.059. COMPENSATION. A director is entitled to  
22 compensation at a rate determined by the board. The rate may not  
23 exceed \$10 for each board meeting. (Acts 60th Leg., R.S., Ch. 494,  
24 Sec. 4 (part).)

25           Sec. 1009.060. VOTING REQUIREMENT. A concurrence of three  
26 directors is sufficient in any matter relating to district  
27 business. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

1           Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

2       (a) The board shall:

3           (1) keep an account of all board meetings and  
4 proceedings; and

5           (2) maintain at the district's principal office all  
6 district records and accounts, including all contracts, notices,  
7 duplicate vouchers, and duplicate receipts.

8       (b) The information described by Subsection (a) shall be  
9 open to public inspection at the district's principal office at all  
10 reasonable times. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

11           Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT  
12 ADMINISTRATOR. (a) The board shall appoint a qualified person as  
13 district administrator.

14           (b) The board may appoint an assistant to the district  
15 administrator.

16           (c) The district administrator and any assistant  
17 administrator serves at the will of the board and is entitled to the  
18 compensation determined by the board.

19           (d) On assuming the duties of district administrator, the  
20 administrator must execute a bond payable to the district in an  
21 amount of not less than \$10,000 to be set by the board that:

22           (1) is conditioned on the administrator performing the  
23 administrator's required duties; and

24           (2) contains other conditions the board may require.  
25 (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

26           Sec. 1009.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.  
27 Subject to the limitations prescribed by the board, the district

1 administrator shall:

2 (1) supervise the work and activities of the district;  
3 and

4 (2) direct the affairs of the district. (Acts 60th  
5 Leg., R.S., Ch. 494, Sec. 5 (part).)

6 Sec. 1009.064. EMPLOYEES. The board may employ nurses,  
7 technicians, and other lay personnel considered necessary for the  
8 efficient operation of the district or may delegate that authority  
9 to the district administrator. (Acts 60th Leg., R.S., Ch. 494, Sec.  
10 5 (part).)

11 Sec. 1009.065. RETIREMENT PROGRAM. The board may enter  
12 into a contract or agreement with this state or the federal  
13 government to establish or continue a retirement program for the  
14 benefit of the district's employees. (Acts 60th Leg., R.S., Ch.  
15 494, Sec. 5 (part).)

16 [Sections 1009.066-1009.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 1009.101. DISTRICT RESPONSIBILITY. The district has  
19 full responsibility for:

20 (1) operating all hospital facilities for providing  
21 medical and hospital care of indigent patients; and

22 (2) providing medical and hospital care for the  
23 district's needy and indigent residents. (Acts 60th Leg., R.S.,  
24 Ch. 494, Secs. 2 (part), 17 (part).)

25 Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION  
26 TAXATION AND DEBT. Cochran County or a municipality in Cochran  
27 County may not levy taxes or issue bonds or other obligations for

1 hospital purposes or medical care. (Acts 60th Leg., R.S., Ch. 494,  
2 Sec. 17 (part).)

3 Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.  
4 The board shall manage, control, and administer the district and  
5 the district's hospitals and hospital system. (Acts 60th Leg.,  
6 R.S., Ch. 494, Secs. 4 (part), 5 (part).)

7 Sec. 1009.104. HOSPITAL SYSTEM. The district shall provide  
8 for the establishment of a hospital system by:

9 (1) purchasing, constructing, acquiring, repairing,  
10 or renovating buildings and equipment;

11 (2) equipping the buildings; and

12 (3) administering the buildings and equipment for  
13 hospital purposes. (Acts 60th Leg., R.S., Ch. 494, Sec. 2 (part).)

14 Sec. 1009.105. RULES. The board may adopt rules for the  
15 operation of the district and as required to administer this  
16 chapter. (Acts 60th Leg., R.S., Ch. 494, Secs. 5 (part), 9 (part).)

17 Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES. The  
18 board may prescribe:

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

21 (2) all accounting and control procedures. (Acts 60th  
22 Leg., R.S., Ch. 494, Sec. 9 (part).)

23 Sec. 1009.107. RATES AND CHARGES. The board shall  
24 establish the rates and charges for:

25 (1) services;

26 (2) supplies; and

27 (3) the use of district facilities. (Acts 60th Leg.,

1 R.S., Ch. 494, Sec. 14 (part).)

2 Sec. 1009.108. HOSPITAL LEASE. The board may lease a  
3 district hospital to a qualified doctor or group of doctors. (Acts  
4 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

5 Sec. 1009.109. EMINENT DOMAIN. (a) The district may  
6 exercise the power of eminent domain to acquire a fee simple or  
7 other interest in any type of property located in district  
8 territory if the interest is necessary or convenient for the  
9 district to exercise a power, right, or privilege conferred by this  
10 chapter.

11 (b) The district must exercise the power of eminent domain  
12 in the manner provided by Chapter 21, Property Code. (Acts 60th  
13 Leg., R.S., Ch. 494, Sec. 12.)

14 Sec. 1009.110. GIFTS AND ENDOWMENTS. The board may accept  
15 on behalf of the district a gift or endowment to be held in trust and  
16 administered by the board for a purpose and under a written  
17 direction, limitation, or provision prescribed by the donor that is  
18 not inconsistent with the proper management and objectives of the  
19 district. (Acts 60th Leg., R.S., Ch. 494, Sec. 15.)

20 Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS.  
21 (a) The board may contract with a county or a municipality located  
22 outside Cochran County for the care and treatment of a sick or  
23 injured person of that county or municipality.

24 (b) The board may contract with this state or a federal  
25 agency for the treatment of a sick or injured person for whom the  
26 state or the federal government is responsible. (Acts 60th Leg.,  
27 R.S., Ch. 494, Sec. 5 (part).)



1           Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES.   (a)

2   When an indigent patient has been admitted to a district facility,  
3   the district administrator shall have an inquiry made into the  
4   circumstances of:

5           (1)   the patient; and

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

8           (b)   If the district administrator determines that the  
9   patient or those relatives cannot pay all or part of the costs of  
10  the patient's care and treatment in the hospital, the amount of the  
11  costs that cannot be paid becomes a charge against the district.

12          (c)   If the district administrator determines that the  
13  patient or those relatives can pay all or part of the costs of the  
14  patient's care and treatment, the patient or those relatives shall  
15  be ordered to pay the district a specified amount each week for the  
16  patient's support. The amount ordered must be proportionate to  
17  financial ability and may not exceed the actual per capita cost of  
18  maintenance.

19          (d)   The district administrator may collect the amount from  
20  the patient's estate, or from a relative who is legally liable for  
21  the patient's support, in the manner provided by law for the  
22  collection of expenses of the last illness of a deceased person.

23          (e)   If there is a dispute as to the ability to pay, or doubt  
24  in the mind of the district administrator, the board shall hold a  
25  hearing and, after calling witnesses, shall:

26           (1)   resolve the dispute or doubt; and

27           (2)   issue an appropriate order.

1 (f) A party to the dispute who is not satisfied with the  
2 order may appeal to the district court. The appeal shall be by  
3 trial de novo as that term is used in an appeal from a justice court  
4 to the county court. (Acts 60th Leg., R.S., Ch. 494, Sec. 14  
5 (part).)

6 Sec. 1009.113. AUTHORITY TO SUE AND BE SUED. The district,  
7 through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch.  
8 494, Sec. 5 (part).)

9 [Sections 1009.114-1009.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 1009.151. BUDGET; NOTICE OF HEARING. (a) The district  
12 administrator shall prepare an annual budget for approval by the  
13 board. The budget must be for the fiscal year prescribed by Section  
14 1009.152.

15 (b) Not later than August 31 of each year, the board shall  
16 give notice of a public hearing on the proposed budget. The notice  
17 must be published in a newspaper of general circulation in Cochran  
18 County at least 10 days before the date of the hearing. (Acts 60th  
19 Leg., R.S., Ch. 494, Secs. 6 (part), 16.)

20 Sec. 1009.152. FISCAL YEAR. The district operates on a  
21 fiscal year that begins on October 1 and ends on September 30.  
22 (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

23 Sec. 1009.153. ANNUAL AUDIT. (a) The district annually  
24 shall have an audit made of the district's financial condition.

25 (b) The audit shall be open to inspection at all times at the  
26 district's principal office. (Acts 60th Leg., Ch. 494, R.S., Sec. 6  
27 (part).)

1           Sec. 1009.154. FINANCIAL REPORT. As soon as practicable  
2 after the close of each fiscal year, the district administrator  
3 shall prepare for the board:

4           (1) a complete sworn statement of all district money;  
5 and

6           (2) a complete account of the disbursement of that  
7 money. (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

8           Sec. 1009.155. DEPOSITORY. (a) The board shall select one  
9 or more banks in Cochran County to serve as a depository for  
10 district money.

11          (b) All district money shall be immediately deposited on  
12 receipt with a depository bank, except that sufficient money must  
13 be remitted to the appropriate bank to pay the principal of and  
14 interest on the district's outstanding bonds or other obligations  
15 on or before the maturity date of the principal and interest.

16          (c) To the extent that money in a depository bank is not  
17 insured by the Federal Deposit Insurance Corporation, the money  
18 must be secured in the manner provided by law for the security of  
19 county funds.

20          (d) Membership on the district's board of an officer or  
21 director of a bank does not disqualify the bank from being selected  
22 as a depository. (Acts 60th Leg., R.S., Ch. 494, Sec. 10.)

23                 [Sections 1009.156-1009.200 reserved for expansion]

24   SUBCHAPTER E. BONDS

25           Sec. 1009.201. GENERAL OBLIGATION BONDS. The board may  
26 issue and sell general obligation bonds in the name and on the faith  
27 and credit of the district to purchase, construct, acquire, repair,

1 or renovate buildings and improvements and to equip the buildings  
2 and improvements for a hospital and the hospital system. (Acts 60th  
3 Leg., R.S., Ch. 494, Sec. 7 (part).)

4 Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At  
5 the time general obligation bonds are issued by the district under  
6 Section 1009.201, the board shall impose an ad valorem tax in an  
7 amount sufficient to:

8 (1) create an interest and sinking fund; and

9 (2) pay the principal of and interest on the bonds as  
10 the bonds mature.

11 (b) The tax required by this section together with any other  
12 tax the district imposes in any year may not exceed 75 cents on each  
13 \$100 assessed value of all taxable property in the district. (Acts  
14 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

15 Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION. (a) The  
16 district may issue general obligation bonds only if the bonds are  
17 authorized by a majority of the voters voting in an election held  
18 for that purpose.

19 (b) The board shall call the election. The election must be  
20 held in accordance with Chapter 1251, Government Code.

21 (c) The bond election order must specify:

22 (1) the date of the election;

23 (2) the amount of bonds to be authorized;

24 (3) the maximum maturity of the bonds;

25 (4) the maximum interest rate of the bonds;

26 (5) the location of the polling places; and

27 (6) the presiding election officers. (Acts 60th Leg.,

1 R.S., Ch. 494, Sec. 7 (part).)

2 Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a)  
3 The board president shall execute the general obligation bonds in  
4 the district's name.

5 (b) The board secretary shall attest the bonds as provided  
6 by Chapter 618, Government Code. (Acts 60th Leg., R.S., Ch. 494,  
7 Sec. 7 (part).)

8 Sec. 1009.205. REFUNDING BONDS. (a) The board may, without  
9 an election, issue refunding bonds to refund outstanding general  
10 obligation bonds issued or assumed by the district.

11 (b) A refunding bond may be:

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

14 (2) exchanged in whole or in part for not less than a  
15 like principal amount of the bonds to be refunded.

16 (c) If a refunding bond is sold, the bond must be issued and  
17 the payments must be made in the manner provided by Subchapters B  
18 and C, Chapter 1207, Government Code. (Acts 60th Leg., R.S., Ch.  
19 494, Sec. 7 (part).)

20 Sec. 1009.206. BONDS EXEMPT FROM TAXATION. The following  
21 are exempt from taxation by this state or a political subdivision of  
22 this state:

23 (1) bonds issued by the district;

24 (2) the transfer of the bonds; and

25 (3) the bond revenues and profits made in the sale of  
26 the bonds. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

27 [Sections 1009.207-1009.250 reserved for expansion]

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SUBCHAPTER F. TAXES

Sec. 1009.251. IMPOSITION OF AD VALOREM TAX. The board shall impose a tax on all property in the district subject to district taxation in the manner provided by law for county taxes. (Acts 60th Leg., R.S., Ch. 494, Sec. 13 (part).)

Sec. 1009.252. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Cochran County shall collect taxes imposed by the district and promptly transfer the money collected to a district depository.

(b) The assessor-collector shall receive the compensation provided for by contract with the district, except the compensation may not exceed the amount allowed for assessment and collection of county taxes. (Acts 60th Leg., R.S., Ch. 494, Sec. 13 (part).)

SECTION 1.02. Subtitle B, Title 4, Special District Local Laws Code, is amended by adding Chapter 3503 to read as follows:

CHAPTER 3503. RED RIVER REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

- Sec. 3503.001. DEFINITIONS
- Sec. 3503.002. NATURE OF AUTHORITY
- Sec. 3503.003. PURPOSES OF AUTHORITY
- Sec. 3503.004. AUTHORITY TERRITORY
- Sec. 3503.005. EXPANSION OF TERRITORY
- Sec. 3503.006. RELATION TO OTHER LAW
- Sec. 3503.007. LEGISLATIVE INTENT ON APPLICABILITY OF OTHER LAWS
- Sec. 3503.008. APPLICABILITY OF STATE REGULATORY AUTHORITY

- 1 Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS  
2 [Sections 3503.010-3503.050 reserved for expansion]  
3 SUBCHAPTER B. BOARD OF DIRECTORS  
4 Sec. 3503.051. GENERAL DUTIES  
5 Sec. 3503.052. COMPOSITION  
6 Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS  
7 Sec. 3503.054. VACANCIES  
8 Sec. 3503.055. OFFICERS  
9 Sec. 3503.056. RECALL  
10 Sec. 3503.057. COMPENSATION; REIMBURSEMENT  
11 Sec. 3503.058. COMPENSATION; BOARD POSITION NOT CIVIL  
12 OFFICE OF EMOLUMENT  
13 Sec. 3503.059. RULES; PROCEEDINGS  
14 Sec. 3503.060. CONFLICT OF INTEREST; APPLICABILITY OF  
15 OTHER LAW  
16 [Sections 3503.061-3503.100 reserved for expansion]  
17 SUBCHAPTER C. POWERS AND DUTIES  
18 Sec. 3503.101. GENERAL POWERS AND DUTIES  
19 Sec. 3503.102. GENERAL PROPERTY POWERS  
20 Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS;  
21 EMINENT DOMAIN  
22 Sec. 3503.104. WASTE DISPOSAL  
23 Sec. 3503.105. OTHER POWERS RELATED TO WATER  
24 Sec. 3503.106. CONTRACTS  
25 Sec. 3503.107. EMPLOYEES  
26 [Sections 3503.108-3503.150 reserved for expansion]

1                   SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

2   Sec. 3503.151.   USE OF REVENUE FROM OTHER GOVERNMENTAL  
3                   ENTITIES; LIMITATION

4   Sec. 3503.152.   FEES FOR USE OF OTHER GOVERNMENTAL  
5                   ENTITIES' UTILITIES

6   Sec. 3503.153.   TRANSFER OF ASSETS BY COUNTY

7   Sec. 3503.154.   EXEMPTION FROM TAXATION

8                   [Sections 3503.155-3503.200 reserved for expansion]

9                   SUBCHAPTER E. BONDS

10   Sec. 3503.201.   GENERAL AUTHORITY TO ISSUE BONDS

11   Sec. 3503.202.   REVENUE BONDS

12   Sec. 3503.203.   APPROVAL BY ATTORNEY GENERAL

13   Sec. 3503.204.   BONDS FOR WATER OR SEWER PROJECTS;  
14                   APPLICABILITY OF WATER CODE

15                   [Sections 3503.205-3503.250 reserved for expansion]

16                   SUBCHAPTER F. DISSOLUTION

17   Sec. 3503.251.   POWER TO DISSOLVE; LEGISLATIVE INTENT

18   Sec. 3503.252.   ASSETS TO COUNTY

19                   CHAPTER 3503. RED RIVER REDEVELOPMENT AUTHORITY

20                   SUBCHAPTER A. GENERAL PROVISIONS

21   Sec. 3503.001.   DEFINITIONS. In this chapter:

22                   (1) "Authority" means the Red River Redevelopment  
23   Authority.

24                   (2) "Board" means the authority's board of directors.

25                   (3) "Property" means land, improvements, and personal  
26   property described in Section 3503.004. (Loc. Gov. Code, Secs.  
27   396.061(1), (2), (5).)



1           Sec. 3503.002. NATURE OF AUTHORITY. (a) The authority is a  
2 governmental agency and a political subdivision of this state.

3           (b) The operations of the authority are considered to be  
4 essential governmental functions and are not proprietary functions  
5 for any purpose, including the application of Chapter 101, Civil  
6 Practice and Remedies Code. (Loc. Gov. Code, Secs. 396.062(b),  
7 (c).)

8           Sec. 3503.003. PURPOSES OF AUTHORITY. (a) The authority is  
9 created to:

10           (1) accept title on approval by, and in coordination  
11 with, the governor to all or a portion of the property on, adjacent  
12 to, or related to the property described by Section 3503.004 from  
13 the United States;

14           (2) promote the location and development of new  
15 businesses, industries, and commercial activities on or related to  
16 the property;

17           (3) undertake a project the board considers necessary  
18 or incidental to the industrial, commercial, or business  
19 development, redevelopment, maintenance, and expansion of new or  
20 existing businesses on and for the property described by Section  
21 3503.004, including the acquisition, construction, operation,  
22 maintenance, repair, rehabilitation, replacement, improvement,  
23 extension, expansion, or enhancement of:

- 24                   (A) roads, bridges, and rights-of-way;
- 25                   (B) housing;
- 26                   (C) property;
- 27                   (D) police, fire, medical, cultural,

1 educational, and research services, equipment, institutions, and  
2 resources;

3 (E) other community support services;

4 (F) flood control, water, wastewater treatment,  
5 natural gas, electricity, solid waste disposal, steam generation,  
6 communications, and all other utility facilities and services;

7 (G) other infrastructure improvements; and

8 (H) any other services or facilities acquired by  
9 the authority from the United States; and

10 (4) exercise the powers granted to a conservation and  
11 reclamation district under Section 59, Article XVI, Texas  
12 Constitution.

13 (b) The property described by Subsection (a)(1) consists of  
14 any kind of property, whether real, personal, or mixed, and any  
15 rights, whether tangible or intangible, assets, benefits, or  
16 improvements related to the existence, development, operation, or  
17 maintenance of the property, of the authority.

18 (c) The creation of the authority is necessary to promote,  
19 develop, encourage, and maintain employment, commerce, economic  
20 development, and the public welfare, and to conserve the natural  
21 resources of this state, and is essential to accomplish the  
22 purposes of Sections 49-d, 52, and 52-a, Article III, and Section  
23 59, Article XVI, Texas Constitution, in an area previously  
24 established and developed by the United States government for  
25 military support purposes that will no longer be similarly  
26 maintained for those purposes by the federal government. (Loc.  
27 Gov. Code, Secs. 396.064, 396.0641.)

1           Sec. 3503.004. AUTHORITY TERRITORY. (a) The authority is  
2 composed of the territory described by Section 8A, Chapter 831,  
3 Acts of the 75th Legislature, Regular Session, 1997, as added by  
4 Section 5, Chapter 1312, Acts of the 76th Legislature, Regular  
5 Session, 1999, as that territory may have been modified under this  
6 chapter or other law.

7           (b) The boundaries of the authority are the same as the  
8 boundaries of the real property described by Subsection (a). (Loc.  
9 Gov. Code, Secs. 396.062(a) (part), 396.0621.)

10          Sec. 3503.005. EXPANSION OF TERRITORY. The authority's  
11 territory may be expanded as additional:

12           (1) real property is conveyed to the authority by the  
13 United States; or

14           (2) counties or municipalities approve annexations.  
15 (Loc. Gov. Code, Secs. 396.062(a) (part), 396.0622.)

16          Sec. 3503.006. RELATION TO OTHER LAW. This chapter does not  
17 limit the power of the authority or other person, including another  
18 governmental entity, to use other law not in conflict with this  
19 chapter to the extent convenient or necessary to carry out a power,  
20 express or implied, granted by this chapter. (Loc. Gov. Code, Sec.  
21 396.077(c).)

22          Sec. 3503.007. LEGISLATIVE INTENT ON APPLICABILITY OF OTHER  
23 LAWS. The legislature intends that the authority shall have all  
24 power necessary to fully qualify and gain the benefits of any law  
25 that is helpful in carrying out the purposes for which the authority  
26 is created. (Loc. Gov. Code, Sec. 396.065(b) (part).)

27          Sec. 3503.008. APPLICABILITY OF STATE REGULATORY

1 AUTHORITY. The authority is subject to the regulatory authority of  
2 the state, including any state agency, to the same extent as a  
3 municipal corporation. (Loc. Gov. Code, Sec. 396.062(f).)

4 Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS.  
5 Chapters 551 and 552, Government Code, apply to the authority.  
6 (Loc. Gov. Code, Sec. 396.062(d).)

7 [Sections 3503.010-3503.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 3503.051. GENERAL DUTIES. The board shall manage,  
10 control, and operate the authority. (Loc. Gov. Code, Sec.  
11 396.063(a) (part).)

12 Sec. 3503.052. COMPOSITION. The board is composed of the  
13 following 15 directors:

- 14 (1) two directors appointed by the county judge of  
15 Bowie County;
- 16 (2) one director appointed by the commissioners court  
17 of Bowie County;
- 18 (3) three directors appointed by the mayor of  
19 Texarkana;
- 20 (4) one director appointed by the mayor of New Boston;
- 21 (5) one director appointed by the mayor of Hooks;
- 22 (6) one director appointed by the mayor of Nash;
- 23 (7) one director appointed by the mayor of Wake  
24 Village;
- 25 (8) one director appointed by the mayor of Leary;
- 26 (9) one director appointed by the mayor of Redwater;
- 27 (10) one director appointed by the mayor of Maud;

1           (11) one director appointed by the mayor of DeKalb;  
2 and

3           (12) one director appointed by the mayor of Red Lick.  
4 (Loc. Gov. Code, Secs. 396.063(a) (part), (b).)

5           Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS. (a)  
6 Each director serves for a term of two years.

7           (b) The board by rule or resolution may:

8                 (1) provide for the appointment of directors of the  
9 board in alternating years; and

10                (2) determine the number of directors and the manner  
11 of deciding which directors shall be appointed in odd-numbered  
12 years and which directors shall be appointed in even-numbered  
13 years.

14           (c) A director who is also an elected official serves for a  
15 term coinciding with the term of the elected office. (Loc. Gov.  
16 Code, Secs. 396.063(c) (part), (d), (e).)

17           Sec. 3503.054. VACANCIES. A vacancy on the board is filled  
18 in the same manner as the original appointment. (Loc. Gov. Code,  
19 Sec. 396.063(c) (part).)

20           Sec. 3503.055. OFFICERS. (a) The board shall elect from  
21 among its membership a president and a vice president.

22           (b) The vice president shall preside in the absence of the  
23 president. (Loc. Gov. Code, Sec. 396.063(f).)

24           Sec. 3503.056. RECALL. A director may be recalled at any  
25 time by the appointing official. (Loc. Gov. Code, Sec.  
26 396.063(i).)

27           Sec. 3503.057. COMPENSATION; REIMBURSEMENT. A director is

1 not entitled to compensation for service on the board but is  
2 entitled to be reimbursed for necessary expenses incurred in  
3 carrying out the duties of a director. (Loc. Gov. Code, Sec.  
4 396.063(j).)

5 Sec. 3503.058. COMPENSATION; BOARD POSITION NOT CIVIL  
6 OFFICE OF EMOLUMENT. (a) A position on the board may not be  
7 construed to be a civil office of emolument for any purpose,  
8 including a purpose described in Section 40, Article XVI, Texas  
9 Constitution.

10 (b) Elected officials of Bowie County and municipalities  
11 may serve on the board without penalty or forfeiture of office.  
12 (Loc. Gov. Code, Sec. 396.063(k) (part).)

13 Sec. 3503.059. RULES; PROCEEDINGS. The board shall adopt  
14 rules to govern its proceedings. (Loc. Gov. Code, Sec. 396.063  
15 (g).)

16 Sec. 3503.060. CONFLICT OF INTEREST; APPLICABILITY OF OTHER  
17 LAW. A conflict of interest, under either statutory or common law,  
18 for a director regarding a particular matter to come before the  
19 board, is governed by Chapter 171, Local Government Code. (Loc.  
20 Gov. Code, Sec. 396.063(k) (part).)

21 [Sections 3503.061-3503.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 3503.101. GENERAL POWERS AND DUTIES. (a) This chapter  
24 provides sufficient authority to issue bonds, execute contracts,  
25 and perform any other act or procedure authorized in this chapter  
26 for the authority and all other persons of this state, including  
27 another governmental entity of this state and including an action

1 regarding another governmental entity and the United States,  
2 without reference to other law or a restriction or limitation  
3 contained in other law, except as provided by this chapter.

4 (b) The authority may exercise any power or duty necessary  
5 or appropriate to carry out a project described by Section  
6 3503.003(a)(3) and the purposes of this chapter, including the  
7 power to:

8 (1) sue and be sued, and plead and be impleaded, in its  
9 own name;

10 (2) adopt an official seal;

11 (3) adopt, enforce, and amend rules for the conduct of  
12 its affairs;

13 (4) acquire, hold, own, pledge, and dispose of its  
14 revenue, income, receipts, and money from any source;

15 (5) select its depository;

16 (6) acquire, own, rent, lease, accept, hold, or  
17 dispose of any property, or any interest in property, including  
18 rights or easements, in performing its duties and exercising its  
19 powers under this chapter, by purchase, exchange, gift, assignment,  
20 sale, lease, or other method;

21 (7) hold, manage, operate, or improve the property;

22 (8) sell, assign, lease, encumber, mortgage, or  
23 otherwise dispose of property, or any interest in property, and  
24 relinquish a property right, title, claim, lien, interest,  
25 easement, or demand, however acquired;

26 (9) perform an activity authorized by Subdivision (8)  
27 by public or private sale, with or without public bidding,

1 notwithstanding any other law;

2 (10) lease or rent any land and building, structure,  
3 or facility from or to any person to carry out a chapter purpose;

4 (11) request and accept an appropriation, grant,  
5 allocation, subsidy, guarantee, aid, service, labor, material, or  
6 gift, from the federal government, the state, a public agency or  
7 political subdivision, or any other source;

8 (12) operate and maintain an office and appoint and  
9 determine the duties, tenure, qualifications, and compensation of  
10 officers, employees, agents, professional advisors and counselors,  
11 including financial consultants, accountants, attorneys,  
12 architects, engineers, appraisers, and financing experts, as  
13 considered necessary or advisable by the board;

14 (13) borrow money and issue bonds, payable solely from  
15 all or a portion of any authority revenue, by resolution or order of  
16 the board and without the necessity of an election;

17 (14) set and collect rents, rates, fees, and charges  
18 regarding the property and any services provided by the authority;

19 (15) exercise the powers Chapters 373 and 380, Local  
20 Government Code, grant to a municipality for the development of  
21 housing and expansion of economic development and commercial  
22 activity;

23 (16) exercise the powers Chapter 49, Water Code,  
24 grants to a general-law district;

25 (17) exercise the powers Chapter 54, Water Code,  
26 grants to a municipal utility district;

27 (18) exercise the powers Chapter 441, Transportation



1 Code, grants to a road utility district;

2 (19) exercise the powers Subchapter C, Chapter 271,  
3 Local Government Code, grants to a municipality or county;

4 (20) exercise the powers Chapter 402, Local Government  
5 Code, grants to a municipality for the provision of municipal  
6 utilities;

7 (21) contract and be contracted with, in the  
8 authority's own name, another person in the performance of the  
9 authority's powers or duties to carry out a project described by  
10 Section 3503.003(a)(3), or to accomplish the purposes of this  
11 chapter for a period of years, on the terms, and by competitive  
12 bidding or by negotiated contract, all as the board considers  
13 appropriate, desirable, and in the best interests of the authority  
14 and the accomplishment of chapter purposes; and

15 (22) acquire, hold, own, sell, assign, lease,  
16 encumber, mortgage, or otherwise dispose of any real, personal, or  
17 mixed property located outside the perimeter of the property  
18 described by Section 3503.004 if the other property enhances or  
19 facilitates the development, redevelopment, maintenance, or  
20 expansion of new and existing businesses, industry, or commercial  
21 activity on the property. (Loc. Gov. Code, Secs. 396.065(a),  
22 396.077(a).)

23 Sec. 3503.102. GENERAL PROPERTY POWERS. The authority may  
24 acquire, purchase, construct, own, operate, maintain, repair,  
25 improve, or extend, lease, or sell on terms, including rentals or  
26 sale prices, on which the parties agree, any work, improvement,  
27 facility, plant, building, structure, equipment, or appliance and

1 any property or any interest in related property that is incident to  
2 or necessary to carry out or perform an authority power. (Loc. Gov.  
3 Code, Sec. 396.069.)

4 Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS;  
5 EMINENT DOMAIN. (a) The authority may undertake a project under  
6 Section 3503.003(a)(3) to develop water, sewer, and natural gas  
7 projects to benefit the authority.

8 (b) The authority may exercise the power of eminent domain  
9 for a project under this section. (Loc. Gov. Code, Sec. 396.070.)

10 Sec. 3503.104. WASTE DISPOSAL. (a) The authority may  
11 provide for the collection, transmission, treatment, disposal, and  
12 control of municipal, domestic, industrial, and commercial waste  
13 water and sewage.

14 (b) The authority may exercise the powers granted to a  
15 district under Chapter 30, Water Code. (Loc. Gov. Code, Secs.  
16 396.071, 396.072.)

17 Sec. 3503.105. OTHER POWERS RELATED TO WATER. The  
18 authority may provide for the construction, storage, transmission,  
19 treatment, supply, and distribution of water for any useful  
20 purpose, including for a municipal, domestic, industrial, or  
21 commercial purpose. (Loc. Gov. Code, Sec. 396.073.)

22 Sec. 3503.106. CONTRACTS. The authority and any person may  
23 contract with each other in any manner and on terms on which the  
24 parties agree regarding a power the authority may exercise or a  
25 facility or service that the authority may provide or finance.  
26 (Loc. Gov. Code, Sec. 396.074.)

27 Sec. 3503.107. EMPLOYEES. The board may employ persons to

1 carry out the powers and duties of the authority. (Loc. Gov. Code,  
2 Sec. 396.063(h).)

3 [Sections 3503.108-3503.150 reserved for expansion]

4 SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

5 Sec. 3503.151. USE OF REVENUE FROM OTHER GOVERNMENTAL  
6 ENTITIES; LIMITATION. (a) Any governmental entity of this state  
7 may:

8 (1) use and pledge available revenue for the payment  
9 of an amount due under a contract entered into with the authority as  
10 an additional source of payment of the contracts or as the sole  
11 source of payment of the contracts; and

12 (2) covenant with respect to available revenue to  
13 assure the availability of the revenue when required.

14 (b) The governmental entity may not use, pledge, or covenant  
15 under this section revenue from ad valorem taxes, or the proceeds of  
16 bonds paid wholly or partly from ad valorem taxes, unless the use,  
17 pledge, or covenant has been approved by the voters of the  
18 governmental entity at an election called for the purpose of:

19 (1) imposing taxes or issuing or refunding bonds; or

20 (2) using or pledging the entity's revenue or proceeds  
21 under contracts with the authority under this chapter. (Loc. Gov.  
22 Code, Secs. 396.075(a), (b).)

23 Sec. 3503.152. FEES FOR USE OF OTHER GOVERNMENTAL ENTITIES'  
24 UTILITIES. (a) A governmental entity may charge a fee to any  
25 person for using a service or facility provided by a utility  
26 operated by the governmental entity and provided under a contract  
27 with the authority, including a fee for:

- 1 (1) water charges;
- 2 (2) sewage charges;
- 3 (3) solid waste disposal system fees and charges,
- 4 including garbage collection or handling fees; and
- 5 (4) other fees or charges.

6 (b) The governmental entity may use and pledge a sufficient  
7 amount of the money collected under Subsection (a) to make a payment  
8 to the authority as required under a contract with the authority and  
9 may covenant to do so in an amount sufficient to make a payment to  
10 the authority when due.

11 (c) A payment, if the parties agree in the contract, is an  
12 expense of operation of the facilities or utility operated by the  
13 governmental entity. (Loc. Gov. Code, Secs. 396.075(c), (d).)

14 Sec. 3503.153. TRANSFER OF ASSETS BY COUNTY. (a) Bowie  
15 County may transfer to the authority by deed, bill of sale, or other  
16 method, all assets, including personal and real property,  
17 accumulated or acquired from, or with money provided by, the United  
18 States Department of the Army or this state for the development,  
19 redevelopment, maintenance, or expansion of the property, along  
20 with any unexpended money made available for those purposes by the  
21 United States Department of the Army or this state.

22 (b) The transfer of assets shall be made without the  
23 requirement of public notice or bidding.

24 (c) Except as otherwise provided by law, this section does  
25 not authorize the transfer of public money of Bowie County other  
26 than the money described by this section. (Loc. Gov. Code, Sec.  
27 396.068(b).)

1           Sec. 3503.154. EXEMPTION FROM TAXATION.    The property,  
2 revenue, and income of the authority are exempt from all taxes  
3 imposed by the state or a political subdivision of the state. (Loc.  
4 Gov. Code, Sec. 396.066.)

5                   [Sections 3503.155-3503.200 reserved for expansion]

6                                   SUBCHAPTER E. BONDS

7           Sec. 3503.201. GENERAL AUTHORITY TO ISSUE BONDS.    To  
8 exercise a power granted under this chapter, the authority may  
9 issue bonds to acquire, purchase, construct, maintain, repair,  
10 improve, or extend works, improvements, facilities, plants,  
11 buildings, structures, appliances, and property. (Loc. Gov. Code,  
12 Sec. 396.076(a).)

13           Sec. 3503.202. REVENUE BONDS. (a) The authority may issue  
14 revenue bonds, including revenue bonds to pay for feasibility  
15 studies for proposed authority projects, including projects  
16 regarding engineering, planning and design, and environmental  
17 studies.

18           (b) The authority may include in a revenue bond issue the  
19 money to operate and maintain facilities acquired or constructed  
20 through the revenue bond issue for a period not to exceed two years  
21 after the date of the facility's completion. (Loc. Gov. Code, Secs.  
22 396.062(e) (part), 396.076(b).)

23           Sec. 3503.203. APPROVAL BY ATTORNEY GENERAL.    If bonds  
24 issued by the authority recite that they are secured by a pledge of  
25 payments under a contract, a copy of the contract and the  
26 proceedings relating to the contract may be submitted to the  
27 attorney general along with the bonds. If the attorney general

1 finds that the bonds have been authorized and the contract was  
2 entered into in accordance with law, the attorney general shall  
3 approve the bonds and the contract. (Loc. Gov. Code, Sec.  
4 396.076(c).)

5 Sec. 3503.204. BONDS FOR WATER OR SEWER PROJECTS;  
6 APPLICABILITY OF WATER CODE. Bonds issued under this chapter for a  
7 water or sewer project shall be issued in accordance with Sections  
8 54.502 and 54.503, Water Code. (Loc. Gov. Code, Secs. 396.062(e)  
9 (part), 396.076(d).)

10 [Sections 3503.205-3503.250 reserved for expansion]

11 SUBCHAPTER F. DISSOLUTION

12 Sec. 3503.251. POWER TO DISSOLVE; LEGISLATIVE INTENT. (a)  
13 The legislature intends that the authority be dissolved, with the  
14 approval of the governing bodies of the municipalities of DeKalb,  
15 Hooks, Leary, Maud, Nash, New Boston, Red Lick, Redwater,  
16 Texarkana, and Wake Village and the governing body of Bowie County,  
17 after conveyance and sale of all of the property.

18 (b) The authority may be dissolved by the board on approval  
19 of each governing body listed in Subsection (a) after all debts or  
20 obligations have been satisfied or retired. (Loc. Gov. Code, Secs.  
21 396.061(4), 396.067(a).)

22 Sec. 3503.252. ASSETS TO COUNTY. On dissolution, any  
23 remaining assets of the authority shall be conveyed or transferred  
24 to Bowie County. (Loc. Gov. Code, Sec. 396.067(b).)

25 SECTION 1.03. Subtitle C, Title 4, Special District Local  
26 Laws Code, is amended by adding Chapters 3818-3832 to read as  
27 follows:

- 1           CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1
- 2                           SUBCHAPTER A. GENERAL PROVISIONS
- 3   Sec. 3818.001.   DEFINITIONS
- 4   Sec. 3818.002.   HARRIS COUNTY IMPROVEMENT DISTRICT
- 5                           NO. 1
- 6   Sec. 3818.003.   PURPOSE; DECLARATION OF INTENT
- 7   Sec. 3818.004.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE
- 8   Sec. 3818.005.   DISTRICT TERRITORY
- 9   Sec. 3818.006.   APPLICABILITY OF OTHER LAW
- 10   Sec. 3818.007.   LIBERAL CONSTRUCTION OF CHAPTER
- 11           [Sections 3818.008-3818.050 reserved for expansion]
- 12                           SUBCHAPTER B. BOARD OF DIRECTORS
- 13   Sec. 3818.051.   COMPOSITION; TERMS
- 14   Sec. 3818.052.   QUALIFICATIONS FOR OFFICE
- 15   Sec. 3818.053.   QUORUM; CONCURRENCE OF DIRECTORS
- 16   Sec. 3818.054.   VACANCY
- 17   Sec. 3818.055.   REMOVAL OF DIRECTOR
- 18           [Sections 3818.056-3818.100 reserved for expansion]
- 19                           SUBCHAPTER C. POWERS AND DUTIES
- 20   Sec. 3818.101.   NONPROFIT CORPORATION
- 21   Sec. 3818.102.   AGREEMENTS; GRANTS
- 22   Sec. 3818.103.   USE OF CONDUITS
- 23   Sec. 3818.104.   REGULATION OF SIGNS
- 24   Sec. 3818.105.   EXCLUSION OF TERRITORY; HEARING
- 25   Sec. 3818.106.   ANNEXATION
- 26   Sec. 3818.107.   DATE OF ELECTIONS

1 Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT  
2 PROJECTS

3 Sec. 3818.109. NO EMINENT DOMAIN POWER

4 [Sections 3818.110-3818.150 reserved for expansion]

5 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

6 Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION  
7 REQUIRED

8 Sec. 3818.152. PARKING FACILITIES AUTHORIZED;  
9 OPERATION BY PRIVATE ENTITY; TAX  
10 EXEMPTION

11 Sec. 3818.153. RULES FOR TRANSIT OR PARKING SYSTEM

12 Sec. 3818.154. PAYING COST OF PUBLIC TRANSIT SYSTEM OR  
13 PARKING FACILITIES

14 Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER  
15 TAXING UNITS

16 [Sections 3818.156-3818.200 reserved for expansion]

17 SUBCHAPTER E. FINANCIAL PROVISIONS

18 Sec. 3818.201. NOTICE AND HEARING REQUIRED

19 Sec. 3818.202. NOTICE OF HEARING

20 Sec. 3818.203. HEARING PROCEDURE

21 Sec. 3818.204. PETITION REQUIRED FOR FINANCING  
22 SERVICES AND IMPROVEMENT PROJECTS

23 Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
24 ASSESSMENTS, AND IMPACT FEES

25 Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM  
26 ASSESSMENTS AND IMPACT FEES

27 Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON



1 Sec. 3818.208. PETITION REQUIRED FOR BOND ELECTION

2 Sec. 3818.209. ASSESSMENTS AND BOND LIMIT

3 Sec. 3818.210. APPEAL OF ASSESSMENT

4 Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS

5 [Sections 3818.212-3818.250 reserved for expansion]

6 SUBCHAPTER F. DISSOLUTION

7 Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION

8 CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3818.001. DEFINITIONS. In this chapter:

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

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

15 (3) "District" means the Harris County Improvement  
16 District No. 1. (Acts 70th Leg., R.S., Ch. 1026, Sec. 2; New.)

17 Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1. A  
18 special district known as the "Harris County Improvement District  
19 No. 1" is a political subdivision of this state. (Acts 70th Leg.,  
20 R.S., Ch. 1026, Sec. 1(A) (part).)

21 Sec. 3818.003. PURPOSE; DECLARATION OF INTENT. The  
22 creation of the district is essential to accomplish the purposes of  
23 Section 52, Article III, and Section 59, Article XVI, Texas  
24 Constitution, and other public purposes as provided by this  
25 chapter. (Acts 70th Leg., R.S., Ch. 1026, Sec. 1(B).)

26 Sec. 3818.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
27 The district is created to serve a public use and benefit. Each

1 improvement project or service authorized by this chapter carries  
2 out a public purpose.

3 (b) All land and other property included in the district  
4 will benefit from the works and projects that are to be  
5 accomplished by the district under powers conferred by Section 52,  
6 Article III, and Section 59, Article XVI, Texas Constitution,  
7 Vernon's Texas Civil Statutes, and other powers granted under this  
8 chapter.

9 (c) The creation of the district is essential to:

- 10 (1) the economic diversification of the state;  
11 (2) the elimination of unemployment and  
12 underemployment; and  
13 (3) the stimulation of transportation and commerce.

14 (d) The creation of the district is in the public interest  
15 and will promote the health, safety, and general welfare of its  
16 residents and the public.

17 (e) The present and prospective traffic congestion in the  
18 district, the safety of pedestrians, and the limited availability  
19 of funds require the promotion and development of public  
20 transportation and pedestrian facilities and systems by new and  
21 alternative means. The district will serve the public purpose of  
22 securing expanded and improved transportation and pedestrian  
23 facilities and systems.

24 (f) The district will promote the health, safety, welfare,  
25 morals, convenience, and enjoyment of the public by landscaping and  
26 developing certain areas in the district that are necessary for the  
27 restoration, preservation, and enhancement of scenic and aesthetic

1 beauty.

2 (g) The district will not act as the agent or  
3 instrumentality of any private interest even though the district  
4 will benefit many private interests, as well as the public. (Acts  
5 70th Leg., R.S., Ch. 1026, Secs. 5(A), (B), 7(A) (part).)

6 Sec. 3818.005. DISTRICT TERRITORY. (a) The district is  
7 composed of the territory described by Section 3, Chapter 1026,  
8 Acts of the 70th Legislature, Regular Session, 1987, as that  
9 territory may have been modified under:

10 (1) Section 3818.106, or its predecessor, Section 13,  
11 Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;

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

13 (3) other law.

14 (b) The boundaries and field notes of the district contained  
15 in Section 3, Chapter 1026, Acts of the 70th Legislature, Regular  
16 Session, 1987, form a closure. A mistake made in the field notes or  
17 in copying the field notes in the legislative process does not  
18 affect:

19 (1) the organization, existence, or validity of the  
20 district;

21 (2) the right of the district to issue any type of  
22 bond, including a refunding bond, for a purpose for which the  
23 district is created or to pay the principal of and interest on a  
24 bond;

25 (3) the right of the district to impose an assessment  
26 or a tax; or

27 (4) the legality or operation of the district or the

1 board. (Acts 70th Leg., R.S., Ch. 1026, Sec. 4; New.)

2 Sec. 3818.006. APPLICABILITY OF OTHER LAW. Except as  
3 otherwise provided, Chapter 375, Local Government Code, applies to  
4 the district. (Acts 70th Leg., R.S., Ch. 1026, Sec. 6(C).)

5 Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
6 chapter shall be liberally construed in conformance with the  
7 legislative findings and purposes stated in this chapter. (Acts  
8 70th Leg., R.S., Ch. 1026, Sec. 5(C).)

9 [Sections 3818.008-3818.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 3818.051. COMPOSITION; TERMS. (a) The district is  
12 governed by a board of 12 directors.

13 (b) The commission appoints the directors to positions  
14 numbered 1 through 12.

15 (c) Directors serve staggered four-year terms.

16 (d) The commission shall attempt to appoint directors to  
17 represent all geographical areas and business interests in the  
18 district and shall solicit input from the existing board concerning  
19 persons who would be eligible to represent the various interests in  
20 the district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(A), (C)  
21 (part), (G) (part).)

22 Sec. 3818.052. QUALIFICATIONS FOR OFFICE. (a) Except as  
23 provided by Subsection (b), a director must meet the requirements  
24 provided by Section 375.063, Local Government Code.

25 (b) A tenant of a person who qualifies under Sections  
26 375.063(2)-(4), Local Government Code, is not qualified to serve as  
27 a director under this chapter, except that the tenant is qualified

1 to serve as a director in position 8 or 12 if the tenant:

2 (1) leases property in the district for an initial  
3 term of 10 years or more; or

4 (2) is an employee, stockholder, or owner of a  
5 beneficial interest in an entity having a lease that qualifies  
6 under Subdivision (1).

7 (c) A person who owns a partnership interest, whether  
8 general or limited, or who has a lease with a remaining term of 30  
9 years or more, excluding options, is considered to be an owner of  
10 land for purposes of this chapter.

11 (d) A person who qualifies to serve on the board under  
12 Subsection (a) or (b) is qualified to serve as a director and  
13 participate in all votes pertaining to the business of the  
14 district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(D), (E), (F),  
15 (K).)

16 Sec. 3818.053. QUORUM; CONCURRENCE OF DIRECTORS. (a)  
17 Seven directors constitute a quorum of the board for district  
18 purposes.

19 (b) Except as provided by Subsection (c), the concurrence of  
20 six directors is required for any official action of the district.

21 (c) The concurrence of eight directors is required to:

22 (1) authorize the issuance of bonds; or

23 (2) impose an assessment or tax. (Acts 70th Leg.,  
24 R.S., Ch. 1026, Sec. 8(J).)

25 Sec. 3818.054. VACANCY. The commission by appointment  
26 shall fill a vacancy on the board. (Acts 70th Leg., R.S., Ch. 1026,  
27 Sec. 8(G) (part).)

1           Sec. 3818.055. REMOVAL OF DIRECTOR. The commission may  
2 remove a director for misconduct or failure to carry out the  
3 director's duties after a petition by a majority of the other  
4 directors. (Acts 70th Leg., R.S., Ch. 1026, Sec. 8(G) (part).)

5           [Sections 3818.056-3818.100 reserved for expansion]

6                           SUBCHAPTER C. POWERS AND DUTIES

7           Sec. 3818.101. NONPROFIT CORPORATION. (a) The board by  
8 resolution may authorize the creation of a nonprofit corporation to  
9 assist and act for the district in implementing a project or  
10 providing a service authorized by this chapter.

11           (b) The nonprofit corporation:

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

15                   (2) may implement any project and provide any service  
16 authorized by this chapter.

17           (c) The board shall appoint the board of directors of the  
18 nonprofit corporation. The board of directors of the nonprofit  
19 corporation shall serve in the same manner as, for the same term as,  
20 and on the conditions of the board of directors of a local  
21 government corporation created under Chapter 431, Transportation  
22 Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7B.)

23           Sec. 3818.102. AGREEMENTS; GRANTS. (a) The district may  
24 make a contract, lease, or other agreement with, or accept a grant  
25 or loan from, any person to carry out a purpose of this chapter on  
26 the terms and conditions and for the period of time determined by  
27 the board.

1 (b) A person may contract with the district to carry out the  
2 purposes of this chapter. (Acts 70th Leg., R.S., Ch. 1026, Secs.  
3 5A(D), 14.)

4 Sec. 3818.103. USE OF CONDUITS. (a) The district may:

5 (1) finance, acquire, construct, improve, operate,  
6 maintain, or charge a fee for the use of its own conduits for  
7 fiber-optic cable, electronic transmission lines, or other types of  
8 transmission lines and supporting facilities; or

9 (2) finance, acquire, construct, improve, operate, or  
10 maintain conference centers and supporting facilities.

11 (b) This section does not authorize the district to require  
12 a person to use a conduit authorized by this section. (Acts 70th  
13 Leg., R.S., Ch. 1026, Sec. 7C.)

14 Sec. 3818.104. REGULATION OF SIGNS. The board by rule may  
15 regulate signs in the district. The board may require the removal  
16 of a sign that does not conform to a rule adopted under this  
17 section. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(Y).)

18 Sec. 3818.105. EXCLUSION OF TERRITORY; HEARING. (a) At any  
19 time, the board may on its own motion call a hearing on the question  
20 of the exclusion of land from the district as provided by Chapter  
21 49, Water Code, if the exclusion is practicable, just, or  
22 desirable.

23 (b) The board shall call a hearing on the exclusion of land  
24 or other property from the district if, before the issuance of bonds  
25 has been authorized, a property owner in the district files a  
26 written petition with the secretary of the board. (Acts 70th Leg.,  
27 R.S., Ch. 1026, Sec. 10.)

1           Sec. 3818.106. ANNEXATION. (a) Subject to the approval of  
2 the governing body of the City of Houston the district may:

3                   (1) annex territory in accordance with Subchapter J,  
4 Chapter 49, Water Code; or

5                   (2) annex territory located inside the boundaries of a  
6 reinvestment zone created under Chapter 311, Tax Code, as those  
7 boundaries existed on September 1, 2001.

8           (b) The district may annex territory described by  
9 Subsection (a)(2) only if:

10                   (1) the district holds a public hearing on the  
11 proposed annexation and publishes notice in the district not later  
12 than the 15th day before the date of the hearing; and

13                   (2) a majority of the qualified voters of the  
14 territory that the district proposes to annex voting at an election  
15 held within that territory approve:

16                           (A) the annexation;

17                           (B) the assumption of the bonds, notes,  
18 obligations, taxes, and special assessments created before the  
19 annexation of the area to the district; and

20                           (C) the assumption of the bonds of the district  
21 payable wholly or partly from taxes or special assessments that  
22 have been voted previously but not yet issued or sold and the  
23 imposition of an ad valorem tax or special assessment on all taxable  
24 property within the annexed area for the payment of the bonds.

25           (c) If the voters approve each proposition under Subsection  
26 (b)(2), the board may adopt an order adding the annexed territory to  
27 the district.



1 (d) An election under Subsection (b) must be held and notice  
2 must be given in the territory that the district proposes to annex  
3 in the same manner as provided for a bond election held by the  
4 district. The district may hold an election to annex territory on  
5 the same day as another district election.

6 (e) The board may:

7 (1) call an election to annex territory by a separate  
8 election order or as a part of another election order;

9 (2) submit multiple purposes in a single proposition  
10 at an election; or

11 (3) order multiple elections to annex the same  
12 territory.

13 (f) The district may annex defined areas of land, regardless  
14 of whether the areas are contiguous to the district.

15 (g) An annexed area shall bear that area's pro rata share of  
16 all bonds, notes, or other obligations, taxes, or special  
17 assessments that may be owed, contracted for, or authorized by the  
18 district.

19 (h) The election, notice, and hearing requirements imposed  
20 by Subsections (b)-(g) do not apply to an annexation under  
21 Subsection (a)(1). (Acts 70th Leg., R.S., Ch. 1026, Sec. 13.)

22 Sec. 3818.107. DATE OF ELECTIONS. An election held in the  
23 district is not required to be held on a uniform election date  
24 provided by Section 41.001, Election Code. (Acts 70th Leg., R.S.,  
25 Ch. 1026, Sec. 11(C).)

26 Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS.  
27 The district must obtain approval from the governing body of the

1 City of Houston and the department of planning of the City of  
2 Houston of the plans and specifications of any improvement project  
3 that involves the use of a right-of-way of a street, road, or  
4 highway or the use of municipal land. (Acts 70th Leg., R.S., Ch.  
5 1026, Sec. 9 (part).)

6 Sec. 3818.109. NO EMINENT DOMAIN POWER. The district may  
7 not exercise the power of eminent domain. (Acts 70th Leg., R.S.,  
8 Ch. 1026, Sec. 7(B) (part).)

9 [Sections 3818.110-3818.150 reserved for expansion]

10 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

11 Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

12 (a) The district may acquire, lease as lessor or lessee, construct,  
13 develop, own, operate, and maintain a public transit system to  
14 serve the area within the boundaries of the district.

15 (b) The district may acquire, construct, or develop a mass  
16 transit improvement or facility under Subsection (a) only if a  
17 petition is filed with the district that requests the improvement  
18 or facility. The petition must be executed by owners of property  
19 representing a majority in value or a majority in square footage of  
20 the real property in the district that abuts the right-of-way in  
21 which the improvement or facility is proposed to be located. The  
22 determination of a majority is based on the property owners along  
23 the entire right-of-way of the proposed transit project and may not  
24 be computed on a block-by-block basis. (Acts 70th Leg., R.S., Ch.  
25 1026, Sec. 5A(A).)

26 Sec. 3818.152. PARKING FACILITIES AUTHORIZED; OPERATION BY  
27 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease

1 as lessor or lessee, construct, develop, own, operate, and maintain  
2 parking facilities or a system of parking facilities, including:

3 (1) lots, garages, parking terminals, or other  
4 structures or accommodations for parking motor vehicles off the  
5 streets; and

6 (2) equipment, entrances, exits, fencing, and other  
7 accessories necessary for safety and convenience in parking  
8 vehicles.

9 (b) A parking facility of the district must be leased to or  
10 operated for the district by an entity other than the district.

11 (c) The district's parking facilities serve a public  
12 purpose under Section 3818.003 and are owned, used, and held for a  
13 public purpose even if leased or operated by a private entity for a  
14 term of years.

15 (d) The district's public parking facilities and any lease  
16 to a private entity are exempt from the payment of ad valorem taxes  
17 and state and local sales and use taxes. (Acts 70th Leg., R.S., Ch.  
18 1026, Sec. 5A(B).)

19 Sec. 3818.153. RULES FOR TRANSIT OR PARKING SYSTEM. (a)  
20 The district may adopt rules covering its public transit system and  
21 its public parking system.

22 (b) Rules adopted under this section that relate to or  
23 affect the use of the public right-of-way or a requirement for  
24 off-street parking are subject to all applicable municipal charter,  
25 code, and ordinance requirements. (Acts 70th Leg., R.S., Ch. 1026,  
26 Sec. 5A(C) (part).)

27 Sec. 3818.154. PAYING COST OF PUBLIC TRANSIT SYSTEM OR

1 PARKING FACILITIES. (a) The district may use any of its  
2 resources, including revenue, assessments, taxes, and grant or  
3 contract proceeds, to pay the cost of acquiring or operating a  
4 public transit system or a system of public parking facilities.

5 (b) The district may:

6 (1) set, charge, impose, and collect fees, charges, or  
7 tolls for the use of the public transit system or the public parking  
8 facilities; and

9 (2) issue bonds or notes to finance the cost of these  
10 facilities.

11 (c) If the district pays for or finances the cost of  
12 acquiring and operating a public transit system or a system of  
13 public parking facilities with resources other than assessments, a  
14 petition of property owners or public hearing is not required, just  
15 as a petition of property owners and public hearing on the petition  
16 are not required for the provision of all other district services  
17 and improvements that are not paid for or financed with  
18 assessments. Notwithstanding this subsection, a petition is  
19 required as provided by Section 3818.151 before the district may  
20 construct transit improvements. (Acts 70th Leg., R.S., Ch. 1026,  
21 Sec. 5A(C) (part).)

22 Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER TAXING  
23 UNITS. If the district's acquisition of property for a parking  
24 facility that is leased to or operated by a private entity results  
25 in removing from a taxing unit's tax rolls real property otherwise  
26 subject to ad valorem taxation, the district shall pay to the taxing  
27 unit in which the property is located, on or before January 1 of

1 each year, as a payment instead of taxes, an amount equal to the ad  
2 valorem taxes that otherwise would have been imposed for the  
3 preceding tax year on that real property by the taxing unit, without  
4 including the value of any improvements constructed on the  
5 property. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(E).)

6 [Sections 3818.156-3818.200 reserved for expansion]

7 SUBCHAPTER E. FINANCIAL PROVISIONS

8 Sec. 3818.201. NOTICE AND HEARING REQUIRED. The board may  
9 finance a service or improvement project under this chapter after:

10 (1) notice of a hearing has been given as required by  
11 Section 3818.202; and

12 (2) the board holds a public hearing on the  
13 advisability of the service or improvement and the proposed  
14 assessments. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D) (part).)

15 Sec. 3818.202. NOTICE OF HEARING. (a) Except as provided  
16 by this section, notice of a hearing on financing improvement  
17 projects or services shall be given as provided by Section 375.115,  
18 Local Government Code.

19 (b) The final publication must be made:

20 (1) not later than the 15th day before the date of the  
21 hearing; and

22 (2) in a newspaper of general circulation in each  
23 county in which the district is located.

24 (c) Written notice required by Section 375.115(c), Local  
25 Government Code, must be made not later than the 15th day before the  
26 date of the hearing. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E)  
27 (part).)

1           Sec. 3818.203. HEARING PROCEDURE. (a) The board may  
2 appoint a director, a district employee, or any other person as  
3 hearings examiner to conduct hearings required by the board.

4           (b) A hearing under this subchapter shall be conducted in  
5 the manner provided for contested cases under Chapter 2001,  
6 Government Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E)  
7 (part).)

8           Sec. 3818.204. PETITION REQUIRED FOR FINANCING SERVICES AND  
9 IMPROVEMENT PROJECTS. (a) The board may not finance a service or  
10 improvement project under this chapter unless a written petition  
11 requesting that service or improvement has been filed with the  
12 board.

13           (b) The petition must be signed by:

14           (1) the owners of 50 percent of the assessed value of  
15 the property in the district based on the most recent certified  
16 county tax appraisal roll; or

17           (2) the owners of 50 percent or more of the surface  
18 area of the district, excluding roads, streets, highways, and  
19 utility rights-of-way, based on the most recent certified county  
20 tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D)  
21 (part).)

22           Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
23 ASSESSMENTS, AND IMPACT FEES. (a) The district may impose an ad  
24 valorem tax, assessment, or impact fee in accordance with Chapter  
25 375, Local Government Code, to provide an improvement or service  
26 for a project or activity the district may acquire, construct,  
27 improve, or provide under this chapter if a written petition

1 requesting that improvement or service has been filed with the  
2 board.

3 (b) The petition must be signed by:

4 (1) the owners of 50 percent or more of the assessed  
5 value of the property in the district as determined from the most  
6 recent certified county tax appraisal roll; or

7 (2) 25 owners of property in the district, if more than  
8 25 persons own property in the district as determined by the most  
9 recent certified county tax appraisal roll. (Acts 70th Leg., R.S.,  
10 Ch. 1026, Sec. 7A(A).)

11 Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND  
12 IMPACT FEES. The district may not impose an assessment or impact  
13 fee on the property, including the equipment, rights-of-way,  
14 facilities, or improvements of:

15 (1) an electric utility or a power generation company  
16 as defined by Section 31.002, Utilities Code;

17 (2) a gas utility as defined by Section 101.003 or  
18 121.001, Utilities Code;

19 (3) a telecommunications provider as defined by  
20 Section 51.002, Utilities Code; or

21 (4) a cable system as defined by Section 602,  
22 Communications Act of 1934 (47 U.S.C. Section 522), as amended.  
23 (Acts 70th Leg., R.S., Ch. 1026, Sec. 7A(B).)

24 Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON. (a)  
25 Except as provided by Subsection (b), the district must obtain the  
26 approval of the director of public works of the City of Houston for  
27 the issuance of bonds for any improvement project.

1 (b) If the district obtains approval from the governing body  
2 of the City of Houston of a capital improvements budget for a period  
3 not to exceed five years, the district may finance the capital  
4 improvements and issue bonds specified in the budget without  
5 further approval from the City of Houston. (Acts 70th Leg., R.S.,  
6 Ch. 1026, Sec. 9 (part).)

7 Sec. 3818.208. PETITION REQUIRED FOR BOND ELECTION. The  
8 board may not call a bond election unless a written petition has  
9 been filed with the board that requests an election and is signed by  
10 the owners of:

11 (1) 50 percent or more of the assessed value of the  
12 property in the district based on the most recent certified county  
13 tax appraisal roll; or

14 (2) 50 percent or more of the surface area of the  
15 district, excluding roads, streets, highways, and utility  
16 rights-of-way, based on the most recent certified county tax  
17 appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 11(D).)

18 Sec. 3818.209. ASSESSMENTS AND BOND LIMIT. The board may  
19 not issue bonds or impose assessments that exceed 10 percent of the  
20 assessed value of the property in the district based on the most  
21 recent certified county tax appraisal roll. (Acts 70th Leg., R.S.,  
22 Ch. 1026, Sec. 12(B).)

23 Sec. 3818.210. APPEAL OF ASSESSMENT. A property owner may  
24 appeal the board's decision on an assessment to a district court  
25 that has jurisdiction in the district by filing notice of the appeal  
26 with the court not later than the 30th day after the date of the  
27 board's final decision. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E))



1 (part).)

2 Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS. Payment of  
3 assessments by exempt jurisdictions, if any, shall be established  
4 by contract. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(G).)

5 [Sections 3818.212-3818.250 reserved for expansion]

6 SUBCHAPTER F. DISSOLUTION

7 Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION.  
8 Subchapter M, Chapter 375, Local Government Code, applies to the  
9 district except that in determining the percentage of surface area  
10 under Section 375.262(2), Local Government Code, other public areas  
11 and other property exempt from assessment under Sections 375.161,  
12 375.163, and 375.164 are not excluded. (Acts 70th Leg., R.S., Ch.  
13 1026, Sec. 15(B) (part).)

14 CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 3819.001. DEFINITIONS

17 Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT

18 Sec. 3819.003. PURPOSE; DECLARATION OF INTENT

19 Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

20 Sec. 3819.005. DISTRICT TERRITORY

21 Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL

22 ZONES

23 Sec. 3819.007. APPLICABILITY OF OTHER LAW

24 Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER

25 [Sections 3819.009-3819.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 3819.051. COMPOSITION; TERMS

1 Sec. 3819.052. APPOINTMENT OF DIRECTORS

2 Sec. 3819.053. NONVOTING DIRECTORS

3 Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME

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5 Sec. 3819.055. INITIAL DIRECTORS

6 [Sections 3819.056-3819.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT

9 Sec. 3819.102. NONPROFIT CORPORATION

10 Sec. 3819.103. AGREEMENTS; GRANTS

11 Sec. 3819.104. LAW ENFORCEMENT SERVICES

12 Sec. 3819.105. COMPETITIVE BIDDING

13 Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

14 Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS

15 Sec. 3819.108. MUNICIPAL APPROVAL

16 [Sections 3819.109-3819.150 reserved for expansion]

17 SUBCHAPTER D. FINANCIAL PROVISIONS

18 Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY

19 Sec. 3819.152. TAX AND BOND ELECTIONS

20 Sec. 3819.153. MAINTENANCE AND OPERATION TAX

21 Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

22 Sec. 3819.155. PETITION REQUIRED FOR FINANCING

23 SERVICES AND IMPROVEMENTS

24 Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT

25 FEES AND ASSESSMENTS

26 Sec. 3819.157. BONDS AND OTHER OBLIGATIONS

1 Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY  
2 DISTRICT OBLIGATIONS

3 Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS

4 [Sections 3819.160-3819.200 reserved for expansion]

5 SUBCHAPTER E. DISSOLUTION

6 Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT  
7 WITH OUTSTANDING DEBT

8 CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3819.001. DEFINITIONS. In this chapter:

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

13 (2) "District" means the Baybrook Management  
14 District. (Acts 78th Leg., R.S., Ch. 784, Sec. 2.)

15 Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT. The Baybrook  
16 Management District is a special district created under Section 59,  
17 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 784,  
18 Sec. 1(a).)

19 Sec. 3819.003. PURPOSE; DECLARATION OF INTENT. (a) The  
20 creation of the district is essential to accomplish the purposes of  
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
22 Texas Constitution, and other public purposes stated in this  
23 chapter. By creating the district and in authorizing the City of  
24 Houston, Harris County, and other political subdivisions to  
25 contract with the district, the legislature has established a  
26 program to accomplish the public purposes set out in Section 52-a,  
27 Article III, Texas Constitution.

1 (b) The creation of the district is necessary to promote,  
2 develop, encourage, and maintain employment, commerce,  
3 transportation, housing, tourism, recreation, the arts,  
4 entertainment, economic development, safety, and the public  
5 welfare in the area of the district.

6 (c) This chapter and the creation of the district may not be  
7 interpreted to relieve Harris County or the City of Houston from  
8 providing the level of services provided, as of June 20, 2003, to  
9 the area in the district. The district is created to supplement and  
10 not to supplant the county or city services provided in the area in  
11 the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 3.)

12 Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
13 The district is created to serve a public use and benefit.

14 (b) All land and other property included in the district  
15 will benefit from the improvements and services to be provided by  
16 the district under powers conferred by Sections 52 and 52-a,  
17 Article III, and Section 59, Article XVI, Texas Constitution, and  
18 other powers granted under this chapter.

19 (c) The creation of the district is in the public interest  
20 and is essential to:

21 (1) further the public purposes of development and  
22 diversification of the economy of the state;

23 (2) eliminate unemployment and underemployment; and

24 (3) develop or expand transportation and commerce.

25 (d) The district will:

26 (1) promote the health, safety, and general welfare of  
27 residents, employers, employees, visitors, and consumers in the

1 district, and of the public;

2 (2) provide needed funding to preserve, maintain, and  
3 enhance the economic health and vitality of the district as a  
4 community and business center; and

5 (3) promote the health, safety, welfare, and enjoyment  
6 of the public by providing pedestrian ways and by landscaping and  
7 developing certain areas in the district, which are necessary for  
8 the restoration, preservation, and enhancement of scenic beauty.

9 (e) Pedestrian ways along or across a street, whether at  
10 grade or above or below the surface, and street lighting, street  
11 landscaping, and street art objects are parts of and necessary  
12 components of a street and are considered to be a street or road  
13 improvement.

14 (f) The district will not act as the agent or  
15 instrumentality of any private interest even though the district  
16 will benefit many private interests, as well as the public. (Acts  
17 78th Leg., R.S., Ch. 784, Sec. 6.)

18 Sec. 3819.005. DISTRICT TERRITORY. (a) The district is  
19 composed of the territory described by Section 4, Chapter 784, Acts  
20 of the 78th Legislature, Regular Session, 2003, as that territory  
21 may have been modified under:

22 (1) Subchapter J, Chapter 49, Water Code; or

23 (2) other law.

24 (b) The boundaries and field notes of the district contained  
25 in Section 4, Chapter 784, Acts of the 78th Legislature, Regular  
26 Session, 2003, form a closure. A mistake made in the field notes or  
27 in copying the field notes in the legislative process does not in

1 any way affect the district's:

2 (1) organization, existence, or validity;

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

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

7 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
8 784, Sec. 5; New.)

9 Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

10 All or any part of the area of the district is eligible to be  
11 included in:

12 (1) a tax increment reinvestment zone created by the  
13 City of Houston under Chapter 311, Tax Code;

14 (2) a tax abatement reinvestment zone created by the  
15 City of Houston under Chapter 312, Tax Code; or

16 (3) an enterprise zone created by the City of Houston  
17 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
18 784, Sec. 31.)

19 Sec. 3819.007. APPLICABILITY OF OTHER LAW. Except as  
20 otherwise provided by this chapter, Chapter 375, Local Government  
21 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 784, Sec.  
22 7(a).)

23 Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
24 chapter shall be construed liberally in conformity with the  
25 findings and purposes stated in this chapter. (Acts 78th Leg.,  
26 R.S., Ch. 784, Sec. 8.)

1 [Sections 3819.009-3819.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 3819.051. COMPOSITION; TERMS. (a) Except as provided  
4 by Subsection (c), the district is governed by a board of five  
5 voting directors appointed under Section 3819.052 and five  
6 nonvoting directors as provided by Section 3819.053.

7 (b) Voting directors serve staggered terms of four years,  
8 with two or three directors' terms expiring June 1 of each  
9 odd-numbered year.

10 (c) The board by resolution may increase or decrease the  
11 number of directors on the board if the board finds it is in the best  
12 interest of the district. The board may not consist of fewer than 5  
13 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 784, Sec. 9.)

14 Sec. 3819.052. APPOINTMENT OF DIRECTORS. The mayor and  
15 members of the governing body of the City of Houston shall appoint  
16 voting directors from persons recommended by the board. A person is  
17 appointed if a majority of the directors and the mayor vote to  
18 appoint that person. (Acts 78th Leg., R.S., Ch. 784, Sec. 10.)

19 Sec. 3819.053. NONVOTING DIRECTORS. (a) The following  
20 persons shall serve as nonvoting directors:

21 (1) the directors of the following departments of the  
22 City of Houston or a person designated by that director:

- 23 (A) parks and recreation;  
24 (B) planning and development;  
25 (C) public works; and  
26 (D) civic center; and

27 (2) the City of Houston's chief of police.

1 (b) If a department described by Subsection (a) is  
2 consolidated, renamed, or changed, the board may appoint a director  
3 of the consolidated, renamed, or changed department as a nonvoting  
4 director. If a department described by Subsection (a) is  
5 abolished, the board may appoint a representative of another  
6 department that performs duties comparable to those performed by  
7 the abolished department.

8 (c) Nonvoting directors are not counted for the purposes of  
9 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 784,  
10 Sec. 11.)

11 Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

12 (a) Except as provided by this section:

13 (1) a director may participate in all board votes and  
14 decisions; and

15 (2) Chapter 171, Local Government Code, governs  
16 conflicts of interest for directors.

17 (b) Section 171.004, Local Government Code, does not apply  
18 to the district. A director who has a substantial interest in a  
19 business or charitable entity that will receive a pecuniary benefit  
20 from a board action shall file a one-time affidavit declaring the  
21 interest. An additional affidavit is not required if the  
22 director's interest changes. After the affidavit is filed with the  
23 board secretary, the director may participate in a discussion or  
24 vote on that action if:

25 (1) a majority of the directors have a similar  
26 interest in the same entity; or

27 (2) all other similar business or charitable entities



1 in the district will receive a similar pecuniary benefit.

2 (c) A director who is also an officer or employee of a public  
 3 entity may not participate in the discussion of or vote on a matter  
 4 regarding a contract with that public entity.

5 (d) For purposes of this section, a director has a  
 6 substantial interest in a charitable entity in the same manner that  
 7 a person would have a substantial interest in a business entity  
 8 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
 9 R.S., Ch. 784, Sec. 12.)

10 Sec. 3819.055. INITIAL DIRECTORS. (a) The initial board  
 11 consists of the following persons:

12	Pos. No.	Name of Director
13	1	Stephen Pohl
14	2	C. Glen Crocker
15	3	Gene Satern
16	4	Willard Tredway
17	5	Connie Simmons

18 (b) Of the initial directors, the terms of directors  
 19 appointed for positions 1 through 3 expire June 1, 2005, and the  
 20 terms of directors appointed for positions 4 and 5 expire June 1,  
 21 2007.

22 (c) Section 3819.052 does not apply to this section.

23 (d) This section expires September 1, 2007. (Acts 78th  
 24 Leg., R.S., Ch. 784, Sec. 28.)

25 [Sections 3819.056-3819.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT. The district

1 may exercise the powers given to:

2 (1) a corporation under Section 4B, Development  
3 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
4 Statutes), including the power to own, operate, acquire, construct,  
5 lease, improve, and maintain projects described by that section;

6 (2) a housing finance corporation under Chapter 394,  
7 Local Government Code, to provide housing or residential  
8 development projects in the district; and

9 (3) a municipality under Chapter 380, Local Government  
10 Code. (Acts 78th Leg., R.S., Ch. 784, Secs. 13, 32 (part).)

11 Sec. 3819.102. NONPROFIT CORPORATION. (a) The board by  
12 resolution may authorize the creation of a nonprofit corporation to  
13 assist and act for the district in implementing a project or  
14 providing a service authorized by this chapter.

15 (b) The nonprofit corporation:

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

19 (2) may implement any project and provide any service  
20 authorized by this chapter.

21 (c) The board shall appoint the board of directors of the  
22 nonprofit corporation. The board of directors of the nonprofit  
23 corporation shall serve in the same manner as the board of directors  
24 of a local government corporation created under Chapter 431,  
25 Transportation Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 16.)

26 Sec. 3819.103. AGREEMENTS; GRANTS. (a) The district may  
27 make an agreement with or accept a gift, grant, or loan from any

1 person.

2 (b) The implementation of a project is a governmental  
3 function or service for the purposes of Chapter 791, Government  
4 Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 14.)

5 Sec. 3819.104. LAW ENFORCEMENT SERVICES. To protect the  
6 public interest, the district may contract with Harris County or  
7 the City of Houston to provide law enforcement services in the  
8 district for a fee. (Acts 78th Leg., R.S., Ch. 784, Sec. 15.)

9 Sec. 3819.105. COMPETITIVE BIDDING. Section 375.221, Local  
10 Government Code, applies to the district only for a contract that  
11 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 784,  
12 Sec. 26.)

13 Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a)  
14 The district may join and pay dues to an organization that:

15 (1) enjoys tax-exempt status under Section 501(c)(3),  
16 (4), or (6), Internal Revenue Code of 1986, as amended; and

17 (2) performs a service or provides an activity  
18 consistent with the furtherance of a district purpose.

19 (b) An expenditure of public money for membership in the  
20 organization is considered to further a district purpose and to be  
21 for a public purpose. (Acts 78th Leg., R.S., Ch. 784, Sec. 30.)

22 Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
23 may establish and provide for the administration of one or more  
24 programs to promote state or local economic development and to  
25 stimulate business and commercial activity in the district,  
26 including programs to:

27 (1) make loans and grants of public money; and

1           (2) provide district personnel and services. (Acts  
2 78th Leg., R.S., Ch. 784, Sec. 32 (part).)

3           Sec. 3819.108. MUNICIPAL APPROVAL. (a) Except as provided  
4 by Subsection (b), the district must obtain approval from the  
5 governing body of the City of Houston for:

6                   (1) the issuance of bonds for an improvement project;

7                   (2) the plans and specifications of an improvement  
8 project financed by the bonds; and

9                   (3) the plans and specifications of a district  
10 improvement project related to:

11                           (A) the use of land owned by the City of Houston;

12                           (B) an easement granted by the City of Houston;

13 or

14                           (C) a right-of-way of a street, road, or highway.

15           (b) If the district obtains approval from the governing body  
16 of the City of Houston for a capital improvements budget for a  
17 period not to exceed five years, the district may finance the  
18 capital improvements and issue bonds specified in the budget  
19 without further approval from the City of Houston. (Acts 78th Leg.,  
20 R.S., Ch. 784, Sec. 23.)

21           [Sections 3819.109-3819.150 reserved for expansion]

22                           SUBCHAPTER D. FINANCIAL PROVISIONS

23           Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
24 board by resolution shall establish the number of directors'  
25 signatures and the procedure required for a disbursement or  
26 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 784,  
27 Sec. 25.)

1           Sec. 3819.152. TAX AND BOND ELECTIONS. (a) The district  
2 shall hold an election in the manner provided by Subchapter L,  
3 Chapter 375, Local Government Code, to obtain voter approval before  
4 the district imposes a maintenance tax or issues bonds payable from  
5 ad valorem taxes.

6           (b) The board may include more than one purpose in a single  
7 proposition at an election.

8           (c) Section 375.243, Local Government Code, does not apply  
9 to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 18.)

10          Sec. 3819.153. MAINTENANCE AND OPERATION TAX. (a) If  
11 authorized at an election held in accordance with Section 3819.152,  
12 the district may impose an annual ad valorem tax on taxable property  
13 in the district for the:

14                 (1) maintenance and operation of the district and the  
15 improvements constructed or acquired by the district; or

16                 (2) provision of a service.

17           (b) The board shall determine the tax rate. (Acts 78th  
18 Leg., R.S., Ch. 784, Sec. 19.)

19          Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
20 The board by resolution may impose an assessment for any purpose  
21 authorized by this chapter.

22           (b) An assessment, a reassessment, or an assessment  
23 resulting from an addition to or correction of the assessment roll  
24 by the district, penalties and interest on an assessment or  
25 reassessment, an expense of collection, and reasonable attorney's  
26 fees incurred by the district:

27                 (1) are a first and prior lien against the property

1 assessed;

2 (2) are superior to any other lien or claim other than  
3 a lien or claim for county, school district, or municipal ad valorem  
4 taxes; and

5 (3) are the personal liability of and a charge against  
6 the owners of the property even if the owners are not named in the  
7 assessment proceedings.

8 (c) The lien is effective from the date of the board's  
9 resolution imposing the assessment until the date the assessment is  
10 paid. The board may enforce the lien in the same manner that the  
11 board may enforce an ad valorem tax lien against real property.

12 (d) The board may make a correction to or deletion from the  
13 assessment roll that does not increase the amount of assessment of  
14 any parcel of land without providing notice and holding a hearing in  
15 the manner required for additional assessments. (Acts 78th Leg.,  
16 R.S., Ch. 784, Sec. 20.)

17 Sec. 3819.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
18 IMPROVEMENTS. (a) The board may not finance a service or  
19 improvement project with assessments under this chapter unless a  
20 written petition requesting that service or improvement has been  
21 filed with the board.

22 (b) The petition must be signed by:

23 (1) the owners of a majority of the assessed value of  
24 real property in the district subject to assessment according to  
25 the most recent certified tax appraisal roll for Harris County; or

26 (2) at least 25 owners of real property in the  
27 district, if more than 25 persons own real property in the district

1 according to the most recent certified tax appraisal roll for  
2 Harris County. (Acts 78th Leg., R.S., Ch. 784, Sec. 17.)

3 Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
4 ASSESSMENTS. The district may not impose an impact fee or  
5 assessment on the property, including the equipment,  
6 rights-of-way, facilities, or improvements, of:

7 (1) an electric utility or a power generation company  
8 as defined by Section 31.002, Utilities Code;

9 (2) a gas utility as defined by Section 101.003 or  
10 121.001, Utilities Code;

11 (3) a telecommunications provider as defined by  
12 Section 51.002, Utilities Code; or

13 (4) a person who provides to the public cable  
14 television or advanced telecommunications services. (Acts 78th  
15 Leg., R.S., Ch. 784, Sec. 21 (part).)

16 Sec. 3819.157. BONDS AND OTHER OBLIGATIONS. (a) The  
17 district may issue bonds or other obligations payable wholly or  
18 partly from ad valorem taxes, assessments, impact fees, revenue,  
19 grants, or other money of the district, or any combination of those  
20 sources of money, to pay for any authorized purpose of the district.

21 (b) In exercising the district's power to borrow, the  
22 district may issue a bond or other obligation in the form of a bond,  
23 note, certificate of participation or other instrument evidencing a  
24 proportionate interest in payments to be made by the district, or  
25 other type of obligation. (Acts 78th Leg., R.S., Ch. 784, Sec. 22.)

26 Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
27 OBLIGATIONS. Except as provided by Section 375.263, Local

1 Government Code, a municipality is not required to pay a bond, note,  
2 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
3 784, Sec. 24.)

4 Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS. Without  
5 further authorization or other procedural requirement, the  
6 district may grant, consistent with Chapter 312, Tax Code, an  
7 abatement for a tax or assessment owed to the district. (Acts 78th  
8 Leg., R.S., Ch. 784, Sec. 29.)

9 [Sections 3819.160-3819.200 reserved for expansion]

10 SUBCHAPTER E. DISSOLUTION

11 Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
12 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
13 that has debt. If the vote is in favor of dissolution, the district  
14 shall remain in existence solely for the limited purpose of  
15 discharging its debts. The dissolution is effective when all debts  
16 have been discharged.

17 (b) Section 375.264, Local Government Code, does not apply  
18 to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 27.)

19 CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 3820.001. DEFINITIONS

22 Sec. 3820.002. BUFFALO BAYOU MANAGEMENT DISTRICT

23 Sec. 3820.003. PURPOSE; DECLARATION OF INTENT

24 Sec. 3820.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 3820.005. DISTRICT TERRITORY

26 Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL

27 ZONES



1 Sec. 3820.007. APPLICABILITY OF OTHER LAW

2 Sec. 3820.008. LIBERAL CONSTRUCTION OF CHAPTER

3 [Sections 3820.009-3820.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 3820.051. COMPOSITION; TERMS

6 Sec. 3820.052. APPOINTMENT OF DIRECTORS

7 Sec. 3820.053. NONVOTING DIRECTORS

8 Sec. 3820.054. CONFLICTS OF INTEREST; ONE-TIME

9 AFFIDAVIT

10 Sec. 3820.055. INITIAL DIRECTORS

11 [Sections 3820.056-3820.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 3820.101. ADDITIONAL POWERS OF DISTRICT

14 Sec. 3820.102. NONPROFIT CORPORATION

15 Sec. 3820.103. AGREEMENTS; GRANTS

16 Sec. 3820.104. LAW ENFORCEMENT SERVICES

17 Sec. 3820.105. COMPETITIVE BIDDING

18 Sec. 3820.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

19 Sec. 3820.107. ECONOMIC DEVELOPMENT PROGRAMS

20 [Sections 3820.108-3820.150 reserved for expansion]

21 SUBCHAPTER D. FINANCIAL PROVISIONS

22 Sec. 3820.151. DISBURSEMENTS OR TRANSFERS OF MONEY

23 Sec. 3820.152. TAX AND BOND ELECTIONS

24 Sec. 3820.153. MAINTENANCE AND OPERATION TAX

25 Sec. 3820.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

26 Sec. 3820.155. PETITION REQUIRED FOR FINANCING

27 SERVICES AND IMPROVEMENTS

1 Sec. 3820.156. UTILITY PROPERTY EXEMPT FROM IMPACT  
2 FEES AND ASSESSMENTS

3 Sec. 3820.157. BONDS AND OTHER OBLIGATIONS

4 Sec. 3820.158. MUNICIPALITY NOT REQUIRED TO PAY  
5 DISTRICT OBLIGATIONS

6 Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS

7 [Sections 3820.160-3820.200 reserved for expansion]

8 SUBCHAPTER E. DISSOLUTION

9 Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT  
10 WITH OUTSTANDING DEBT

11 CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 3820.001. DEFINITIONS. In this chapter:

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

16 (2) "District" means the Buffalo Bayou Management  
17 District. (Acts 78th Leg., R.S., Ch. 997, Sec. 2.)

18 Sec. 3820.002. BUFFALO BAYOU MANAGEMENT DISTRICT. The  
19 Buffalo Bayou Management District is a special district created  
20 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
21 Leg., R.S., Ch. 997, Sec. 1(a).)

22 Sec. 3820.003. PURPOSE; DECLARATION OF INTENT. (a) The  
23 creation of the district is essential to accomplish the purposes of  
24 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
25 Texas Constitution, and other public purposes stated in this  
26 chapter. By creating the district and in authorizing the City of  
27 Houston, Harris County, and other political subdivisions to

1 contract with the district, the legislature has established a  
2 program to accomplish the public purposes set out in Section 52-a,  
3 Article III, Texas Constitution.

4 (b) The creation of the district is necessary to promote,  
5 develop, encourage, and maintain employment, commerce,  
6 transportation, housing, tourism, recreation, the arts,  
7 entertainment, economic development, safety, and the public  
8 welfare in the area of the district.

9 (c) This chapter and the creation of the district may not be  
10 interpreted to relieve Harris County or the City of Houston from  
11 providing the level of services provided as of June 20, 2003, to the  
12 area in the district. The district is created to supplement and not  
13 to supplant the county or city services provided in the area in the  
14 district. (Acts 78th Leg., R.S., Ch. 997, Sec. 3.)

15 Sec. 3820.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
16 The district is created to serve a public use and benefit.

17 (b) All land and other property included in the district  
18 will benefit from the improvements and services to be provided by  
19 the district under powers conferred by Sections 52 and 52-a,  
20 Article III, and Section 59, Article XVI, Texas Constitution, and  
21 other powers granted under this chapter.

22 (c) The creation of the district is in the public interest  
23 and is essential to:

24 (1) further the public purposes of development and  
25 diversification of the economy of the state;

26 (2) eliminate unemployment and underemployment; and

27 (3) develop or expand transportation and commerce.

1 (d) The district will:

2 (1) promote the health, safety, and general welfare of  
3 residents, employers, employees, visitors, and consumers in the  
4 district, and of the public;

5 (2) provide needed funding to preserve, maintain, and  
6 enhance the economic health and vitality of the district as a  
7 community and business center; and

8 (3) promote the health, safety, welfare, and enjoyment  
9 of the public by providing pedestrian ways and by landscaping and  
10 developing certain areas in the district, which are necessary for  
11 the restoration, preservation, and enhancement of scenic beauty.

12 (e) Pedestrian ways along or across a street, whether at  
13 grade or above or below the surface, and street lighting, street  
14 landscaping, and street art objects are parts of and necessary  
15 components of a street and are considered to be a street or road  
16 improvement.

17 (f) The district will not act as the agent or  
18 instrumentality of any private interest even though the district  
19 will benefit many private interests, as well as the public. (Acts  
20 78th Leg., R.S., Ch. 997, Sec. 6.)

21 Sec. 3820.005. DISTRICT TERRITORY. (a) The district is  
22 composed of the territory described by Section 4, Chapter 997, Acts  
23 of the 78th Legislature, Regular Session, 2003, as that territory  
24 may have been modified under:

25 (1) Subchapter J, Chapter 49, Water Code; or

26 (2) other law.

27 (b) The boundaries and field notes of the district contained

1 in Section 4, Chapter 997, Acts of the 78th Legislature, Regular  
2 Session, 2003, form a closure. A mistake made in the field notes or  
3 in copying the field notes in the legislative process does not in  
4 any way affect the district's:

5 (1) organization, existence, or validity;

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

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

10 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
11 997, Sec. 5; New.)

12 Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

13 All or any part of the area of the district is eligible to be  
14 included in:

15 (1) a tax increment reinvestment zone created by the  
16 City of Houston under Chapter 311, Tax Code;

17 (2) a tax abatement reinvestment zone created by the  
18 City of Houston under Chapter 312, Tax Code; or

19 (3) an enterprise zone created by the City of Houston  
20 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
21 997, Sec. 29.)

22 Sec. 3820.007. APPLICABILITY OF OTHER LAW. Except as  
23 otherwise provided by this chapter, Chapter 375, Local Government  
24 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 997, Sec.  
25 7(a).)

26 Sec. 3820.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
27 chapter shall be construed liberally in conformity with the

1 findings and purposes stated in this chapter. (Acts 78th Leg.,  
2 R.S., Ch. 997, Sec. 8.)

3 [Sections 3820.009-3820.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 3820.051. COMPOSITION; TERMS. (a) Except as provided  
6 by Subsection (c), the district is governed by a board of 31 voting  
7 directors appointed under Section 3820.052 and nonvoting directors  
8 as provided by Section 3820.053.

9 (b) Voting directors serve staggered terms of four years,  
10 with 15 or 16 directors' terms expiring June 1 of each odd-numbered  
11 year.

12 (c) The board by resolution may decrease the number of  
13 directors on the board if the board finds it is in the best interest  
14 of the district. The board may not consist of fewer than five  
15 directors. (Acts 78th Leg., R.S., Ch. 997, Sec. 9.)

16 Sec. 3820.052. APPOINTMENT OF DIRECTORS. The mayor and  
17 members of the governing body of the City of Houston shall appoint  
18 voting directors. A person is appointed if a majority of the  
19 members of the governing body, including the mayor, vote to appoint  
20 that person. (Acts 78th Leg., R.S., Ch. 997, Sec. 10.)

21 Sec. 3820.053. NONVOTING DIRECTORS. (a) The following  
22 persons shall serve as nonvoting directors:

23 (1) the directors of the following departments of the  
24 City of Houston or a person designated by that director:

25 (A) parks and recreation;

26 (B) planning and development;

27 (C) public works; and

1 (D) civic center; and

2 (2) the City of Houston's chief of police.

3 (b) If a department described by Subsection (a) is  
4 consolidated, renamed, or changed, the board may appoint a director  
5 of the consolidated, renamed, or changed department as a nonvoting  
6 director. If a department described by Subsection (a) is  
7 abolished, the board may appoint a representative of another  
8 department that performs duties comparable to those performed by  
9 the abolished department.

10 (c) Nonvoting directors are not counted for the purposes of  
11 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 997,  
12 Sec. 11.)

13 Sec. 3820.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

14 (a) Except as provided by this section:

15 (1) a voting director may participate in all board  
16 votes and decisions; and

17 (2) Chapter 171, Local Government Code, governs  
18 conflicts of interest for voting directors.

19 (b) Section 171.004, Local Government Code, does not apply  
20 to the district. A director who has a substantial interest in a  
21 business or charitable entity that will receive a pecuniary benefit  
22 from a board action shall file a one-time affidavit declaring the  
23 interest. An additional affidavit is not required if the  
24 director's interest changes. After the affidavit is filed with the  
25 board secretary, the director may participate in a discussion or  
26 vote on that action if:

27 (1) a majority of the directors have a similar

1 interest in the same entity; or

2 (2) all other similar business or charitable entities  
3 in the district will receive a similar pecuniary benefit.

4 (c) A director who is also an officer or employee of a public  
5 entity may not participate in the discussion of or vote on a matter  
6 regarding a contract with that public entity.

7 (d) For purposes of this section, a director has a  
8 substantial interest in a charitable entity in the same manner that  
9 a person would have a substantial interest in a business entity  
10 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
11 R.S., Ch. 997, Sec. 12.)

12 Sec. 3820.055. INITIAL DIRECTORS. (a) The initial board  
13 consists of the following persons:

14	Pos. No.	Name of Director
15	1	Kay Crooker
16	2	Mike Garver
17	3	Jackie Martin
18	4	Mark Lee
19	5	John Chase, Jr.
20	6	Adrian Collins
21	7	Max Schuette
22	8	June Deadrick
23	9	Don Cutrer
24	10	Raju Adwaney
25	11	Mike Mark
26	12	Sia Ravari
27	13	Cherry Walker



1	14	John Hansen
2	15	John Dao
3	16	William Taylor
4	17	Karen Domino
5	18	Kevin Hoffman
6	19	Jeff Andrews
7	20	William Paul Thomas
8	21	Theola Petteway
9	22	Keith Wade
10	23	Chryisse Wilson
11	24	Sadie Rucker
12	25	Julie McClure
13	26	Angie Gomez
14	27	Tom Fricke
15	28	James Robert McDermaid
16	29	Kathy Hubbard
17	30	Marsha Johnson
18	31	Craig Jackson

19 (b) Of the initial directors, the terms of directors  
20 appointed for positions 1 through 15 expire June 1, 2005, and the  
21 terms of directors appointed for positions 16 through 31 expire  
22 June 1, 2007.

23 (c) Section 3820.052 does not apply to this section.

24 (d) This section expires September 1, 2007. (Acts 78th  
25 Leg., R.S., Ch. 997, Sec. 31.)

26 [Sections 3820.056-3820.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 3820.101. ADDITIONAL POWERS OF DISTRICT. The district  
3 may exercise the powers given to:

4 (1) a corporation under Section 4B, Development  
5 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
6 Statutes), including the power to own, operate, acquire, construct,  
7 lease, improve, and maintain projects described by that section;

8 (2) a housing finance corporation under Chapter 394,  
9 Local Government Code, to provide housing or residential  
10 development projects in the district; and

11 (3) a municipality under Chapter 380, Local Government  
12 Code. (Acts 78th Leg., R.S., Ch. 997, Secs. 13, 30 (part).)

13 Sec. 3820.102. NONPROFIT CORPORATION. (a) The board by  
14 resolution may authorize the creation of a nonprofit corporation to  
15 assist and act for the district in implementing a project or  
16 providing a service authorized by this chapter.

17 (b) The nonprofit corporation:

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

21 (2) may implement any project and provide any service  
22 authorized by this chapter.

23 (c) The board shall appoint the board of directors of the  
24 nonprofit corporation. The board of directors of the nonprofit  
25 corporation shall serve in the same manner as the board of directors  
26 of a local government corporation created under Chapter 431,  
27 Transportation Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 16.)

1           Sec. 3820.103. AGREEMENTS; GRANTS. (a) The district may  
2 make an agreement with or accept a gift, grant, or loan from any  
3 person.

4           (b) The implementation of a project is a governmental  
5 function or service for the purposes of Chapter 791, Government  
6 Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 14.)

7           Sec. 3820.104. LAW ENFORCEMENT SERVICES. To protect the  
8 public interest, the district may contract with Harris County or  
9 the City of Houston to provide law enforcement services in the  
10 district for a fee. (Acts 78th Leg., R.S., Ch. 997, Sec. 15.)

11           Sec. 3820.105. COMPETITIVE BIDDING. Section 375.221, Local  
12 Government Code, applies to the district only for a contract that  
13 has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 997,  
14 Sec. 25.)

15           Sec. 3820.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
16 district may join and pay dues to an organization that:

17           (1) enjoys tax-exempt status under Section 501(c)(3),  
18 (4), or (6), Internal Revenue Code of 1986, as amended; and

19           (2) performs a service or provides an activity  
20 consistent with the furtherance of a district purpose. (Acts 78th  
21 Leg., R.S., Ch. 997, Sec. 28.)

22           Sec. 3820.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
23 may establish and provide for the administration of one or more  
24 programs to promote state or local economic development and to  
25 stimulate business and commercial activity in the district,  
26 including programs to:

27           (1) make loans and grants of public money; and

1           (2) provide district personnel and services. (Acts  
2 78th Leg., R.S., Ch. 997, Sec. 30 (part).)

3           [Sections 3820.108-3820.150 reserved for expansion]

4                           SUBCHAPTER D. FINANCIAL PROVISIONS

5           Sec. 3820.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
6 board by resolution shall establish the number of directors'  
7 signatures and the procedure required for a disbursement or  
8 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 997,  
9 Sec. 24.)

10          Sec. 3820.152. TAX AND BOND ELECTIONS. (a) The district  
11 shall hold an election in the manner provided by Subchapter L,  
12 Chapter 375, Local Government Code, to obtain voter approval before  
13 the district imposes a maintenance tax or issues bonds payable from  
14 ad valorem taxes.

15          (b) The board may not submit multiple purposes in a single  
16 proposition at an election.

17          (c) Section 375.243, Local Government Code, does not apply  
18 to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 18.)

19          Sec. 3820.153. MAINTENANCE AND OPERATION TAX. (a) If  
20 authorized at an election held in accordance with Section 3820.152,  
21 the district may impose an annual ad valorem tax on taxable property  
22 in the district for the:

23                   (1) maintenance and operation of the district and the  
24 improvements constructed or acquired by the district; or

25                   (2) provision of a service.

26          (b) The board shall determine the tax rate. (Acts 78th  
27 Leg., R.S., Ch. 997, Sec. 19.)

1           Sec. 3820.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

2 The board by resolution may impose an assessment for any purpose  
3 authorized by this chapter.

4           (b) An assessment, a reassessment, or an assessment  
5 resulting from an addition to or correction of the assessment roll  
6 by the district, penalties and interest on an assessment or  
7 reassessment, an expense of collection, and reasonable attorney's  
8 fees incurred by the district:

9           (1) are a first and prior lien against the property  
10 assessed;

11           (2) are superior to any other lien or claim other than  
12 a lien or claim for county, school district, or municipal ad valorem  
13 taxes; and

14           (3) are the personal liability of and a charge against  
15 the owners of the property even if the owners are not named in the  
16 assessment proceedings.

17           (c) The lien is effective from the date of the board's  
18 resolution imposing the assessment until the date the assessment is  
19 paid. The board may enforce the lien in the same manner that the  
20 board may enforce an ad valorem tax lien against real property.

21           (d) The board may make a correction to or deletion from the  
22 assessment roll that does not increase the amount of assessment of  
23 any parcel of land without providing notice and holding a hearing in  
24 the manner required for additional assessments. (Acts 78th Leg.,  
25 R.S., Ch. 997, Sec. 20.)

26           Sec. 3820.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
27 IMPROVEMENTS. (a) The board may not finance a service or

1 improvement project with assessments under this chapter unless a  
2 written petition requesting that service or improvement has been  
3 filed with the board.

4 (b) The petition must be signed by the owners of a majority  
5 of the assessed value of real property in the district subject to  
6 assessment according to the most recent certified tax appraisal  
7 roll for Harris County. (Acts 78th Leg., R.S., Ch. 997, Sec. 17.)

8 Sec. 3820.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
9 ASSESSMENTS. The district may not impose an impact fee or  
10 assessment on the property, including the equipment,  
11 rights-of-way, facilities, or improvements, of:

12 (1) an electric utility or a power generation company  
13 as defined by Section 31.002, Utilities Code;

14 (2) a gas utility as defined by Section 101.003 or  
15 121.001, Utilities Code;

16 (3) a telecommunications provider as defined by  
17 Section 51.002, Utilities Code; or

18 (4) a cable operator as defined by 47 U.S.C. Section  
19 522, as amended. (Acts 78th Leg., R.S., Ch. 997, Sec. 21.)

20 Sec. 3820.157. BONDS AND OTHER OBLIGATIONS. (a) The  
21 district may issue bonds or other obligations payable wholly or  
22 partly from ad valorem taxes, assessments, impact fees, revenue,  
23 grants, or other money of the district, or any combination of those  
24 sources of money, to pay for any authorized purpose of the district.

25 (b) In exercising the district's power to borrow, the  
26 district may issue a bond or other obligation in the form of a bond,  
27 note, certificate of participation or other instrument evidencing a

1 proportionate interest in payments to be made by the district, or  
2 other type of obligation. (Acts 78th Leg., R.S., Ch. 997, Sec. 22.)

3 Sec. 3820.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
4 OBLIGATIONS. Except as provided by Section 375.263, Local  
5 Government Code, the City of Houston is not required to pay a bond,  
6 note, or other obligation of the district. (Acts 78th Leg., R.S.,  
7 Ch. 997, Sec. 23.)

8 Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS. The district  
9 may grant in the manner authorized by Chapter 312, Tax Code, an  
10 abatement for a tax or assessment owed to the district. (Acts 78th  
11 Leg., R.S., Ch. 997, Sec. 27.)

12 [Sections 3820.160-3820.200 reserved for expansion]

13 SUBCHAPTER E. DISSOLUTION

14 Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
15 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
16 that has debt. If the vote is in favor of dissolution, the district  
17 shall remain in existence solely for the limited purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20 (b) Section 375.264, Local Government Code, does not apply  
21 to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 26.)

22 CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 3821.001. DEFINITIONS

25 Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

26 Sec. 3821.003. PURPOSE; DECLARATION OF INTENT

27 Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

1 Sec. 3821.005. DISTRICT TERRITORY

2 Sec. 3821.006. ELIGIBILITY FOR INCLUSION IN SPECIAL  
3 ZONES

4 Sec. 3821.007. APPLICABILITY OF OTHER LAW

5 Sec. 3821.008. LIBERAL CONSTRUCTION OF CHAPTER

6 [Sections 3821.009-3821.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Sec. 3821.051. COMPOSITION; TERMS

9 Sec. 3821.052. APPOINTMENT OF DIRECTORS

10 Sec. 3821.053. NONVOTING DIRECTORS

11 Sec. 3821.054. CONFLICTS OF INTEREST; ONE-TIME

12 AFFIDAVIT

13 Sec. 3821.055. INITIAL DIRECTORS

14 [Sections 3821.056-3821.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 3821.101. ADDITIONAL POWERS OF DISTRICT

17 Sec. 3821.102. NONPROFIT CORPORATION

18 Sec. 3821.103. AGREEMENTS; GRANTS

19 Sec. 3821.104. LAW ENFORCEMENT SERVICES

20 Sec. 3821.105. COMPETITIVE BIDDING

21 Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

22 Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS

23 Sec. 3821.108. ANNEXATION

24 [Sections 3821.109-3821.150 reserved for expansion]

25 SUBCHAPTER D. FINANCIAL PROVISIONS

26 Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY

27 Sec. 3821.152. TAX AND BOND ELECTIONS



- 1 Sec. 3821.153. MAINTENANCE AND OPERATION TAX  
2 Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS  
3 Sec. 3821.155. PETITION REQUIRED FOR FINANCING  
4 SERVICES AND IMPROVEMENTS  
5 Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT  
6 FEES AND ASSESSMENTS  
7 Sec. 3821.157. BONDS AND OTHER OBLIGATIONS  
8 Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY  
9 DISTRICT OBLIGATIONS  
10 Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS

11 [Sections 3821.160-3821.200 reserved for expansion]

12 SUBCHAPTER E. DISSOLUTION

- 13 Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT  
14 WITH OUTSTANDING DEBT

15 CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

- 17 Sec. 3821.001. DEFINITIONS. In this chapter:

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

20 (2) "District" means the Downtown Midland Management  
21 District. (Acts 78th Leg., R.S., Ch. 1160, Sec. 2.)

22 Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT. The  
23 Downtown Midland Management District is a special district created  
24 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
25 Leg., R.S., Ch. 1160, Sec. 1(a).)

26 Sec. 3821.003. PURPOSE; DECLARATION OF INTENT. (a) The  
27 creation of the district is essential to accomplish the purposes of

1 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
2 Texas Constitution, and other public purposes stated in this  
3 chapter. By creating the district and in authorizing the City of  
4 Midland, Midland County, and other political subdivisions to  
5 contract with the district, the legislature has established a  
6 program to accomplish the public purposes set out in Section 52-a,  
7 Article III, Texas Constitution.

8 (b) The creation of the district is necessary to promote,  
9 develop, encourage, and maintain employment, commerce,  
10 transportation, housing, tourism, recreation, the arts,  
11 entertainment, economic development, safety, and the public  
12 welfare in the area of the district.

13 (c) This chapter and the creation of the district may not be  
14 interpreted to relieve Midland County or the City of Midland from  
15 providing the level of services provided, as of June 20, 2003, to  
16 the area in the district. The district is created to supplement and  
17 not to supplant the county or city services provided in the area in  
18 the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 3.)

19 Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
20 The district is created to serve a public use and benefit.

21 (b) All land and other property included in the district  
22 will benefit from the improvements and services to be provided by  
23 the district under powers conferred by Sections 52 and 52-a,  
24 Article III, and Section 59, Article XVI, Texas Constitution, and  
25 other powers granted under this chapter.

26 (c) The creation of the district is in the public interest  
27 and is essential to:

1           (1) further the public purposes of development and  
2 diversification of the economy of the state;

3           (2) eliminate unemployment and underemployment; and

4           (3) develop or expand transportation and commerce.

5           (d) The district will:

6           (1) promote the health, safety, and general welfare of  
7 residents, employers, employees, visitors, and consumers in the  
8 district, and of the public;

9           (2) provide needed funding to preserve, maintain, and  
10 enhance the economic health and vitality of the district as a  
11 community and business center; and

12           (3) promote the health, safety, welfare, and enjoyment  
13 of the public by providing pedestrian ways and by landscaping and  
14 developing certain areas in the district, which are necessary for  
15 the restoration, preservation, and enhancement of scenic beauty.

16           (e) Pedestrian ways along or across a street, whether at  
17 grade or above or below the surface, and street lighting, street  
18 landscaping, and street art objects are parts of and necessary  
19 components of a street and are considered to be a street or road  
20 improvement.

21           (f) The district will not act as the agent or  
22 instrumentality of any private interest even though the district  
23 will benefit many private interests, as well as the public. (Acts  
24 78th Leg., R.S., Ch. 1160, Sec. 6.)

25           Sec. 3821.005. DISTRICT TERRITORY. (a) The district is  
26 composed of the territory described by Section 4, Chapter 1160,  
27 Acts of the 78th Legislature, Regular Session, 2003, as that

1 territory may have been modified under:

2 (1) Section 3821.108 or its predecessor statute,  
3 former Section 27, Chapter 1160, Acts of the 78th Legislature,  
4 Regular Session, 2003;

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

6 (3) other law.

7 (b) The boundaries and field notes of the district contained  
8 in Section 4, Chapter 1160, Acts of the 78th Legislature, Regular  
9 Session, 2003, form a closure. A mistake made in the field notes or  
10 in copying the field notes in the legislative process does not in  
11 any way affect the district's:

12 (1) organization, existence, or validity;

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

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

17 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
18 1160, Sec. 5; New.)

19 Sec. 3821.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

20 All or any part of the area of the district is eligible to be  
21 included in:

22 (1) a tax increment reinvestment zone created by the  
23 City of Midland under Chapter 311, Tax Code;

24 (2) a tax abatement reinvestment zone created by the  
25 City of Midland under Chapter 312, Tax Code; or

26 (3) an enterprise zone created by the City of Midland  
27 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.

1 1160, Sec. 30.)

2           Sec. 3821.007. APPLICABILITY OF OTHER LAW. Except as  
3 otherwise provided by this chapter, Chapter 375, Local Government  
4 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1160,  
5 Sec. 7(a).)

6           Sec. 3821.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
7 chapter shall be construed liberally in conformity with the  
8 findings and purposes stated in this chapter. (Acts 78th Leg.,  
9 R.S., Ch. 1160, Sec. 8.)

10           [Sections 3821.009-3821.050 reserved for expansion]

11                           SUBCHAPTER B. BOARD OF DIRECTORS

12           Sec. 3821.051. COMPOSITION; TERMS. (a) Except as provided  
13 by Subsection (c), the district is governed by a board of nine  
14 voting directors appointed under Section 3821.052 and nonvoting  
15 directors as provided by Section 3821.053.

16           (b) Voting directors serve staggered terms of four years,  
17 with four or five directors' terms expiring June 1 of each  
18 odd-numbered year.

19           (c) The board by resolution may increase or decrease the  
20 number of directors on the board if the board finds it is in the best  
21 interest of the district. The board may not consist of fewer than 7  
22 or more than 13 directors. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
23 9.)

24           Sec. 3821.052. APPOINTMENT OF DIRECTORS. The board shall  
25 nominate a slate of persons to serve on the succeeding board as  
26 voting directors. The members of the governing body of the City of  
27 Midland shall appoint as voting directors the slate of persons

1 nominated by the board. (Acts 78th Leg., R.S., Ch. 1160, Sec. 10.)

2 Sec. 3821.053. NONVOTING DIRECTORS. (a) The following  
3 persons serve as nonvoting directors:

4 (1) the directors of the following departments of the  
5 City of Midland or a person designated by that director:

6 (A) parks and recreation;

7 (B) planning and zoning; and

8 (C) public works; and

9 (2) the city manager of the City of Midland or a person  
10 designated by the city manager.

11 (b) If a department described by Subsection (a) is  
12 consolidated, renamed, or changed, the board may appoint a director  
13 of the consolidated, renamed, or changed department as a nonvoting  
14 director. If a department described by Subsection (a) is abolished,  
15 the board may appoint a representative of another department that  
16 performs duties comparable to those performed by the abolished  
17 department.

18 (c) Nonvoting directors are not counted for the purposes of  
19 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch.  
20 1160, Sec. 11.)

21 Sec. 3821.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

22 (a) Except as provided by this section:

23 (1) a director may participate in all board votes and  
24 decisions; and

25 (2) Chapter 171, Local Government Code, governs  
26 conflicts of interest for directors.

27 (b) Section 171.004, Local Government Code, does not apply

1 to the district. A director who has a substantial interest in a  
 2 business or charitable entity that will receive a pecuniary benefit  
 3 from a board action shall file a one-time affidavit declaring the  
 4 interest. An additional affidavit is not required if the  
 5 director's interest changes. After the affidavit is filed with the  
 6 board secretary, the director may participate in a discussion or  
 7 vote on that action if:

8 (1) a majority of the directors have a similar  
 9 interest in the same entity; or

10 (2) all other similar business or charitable entities  
 11 in the district will receive a similar pecuniary benefit.

12 (c) A director who is also an officer or employee of a public  
 13 entity may not participate in the discussion of or vote on a matter  
 14 regarding a contract with that public entity.

15 (d) For purposes of this section, a director has a  
 16 substantial interest in a charitable entity in the same manner that  
 17 a person would have a substantial interest in a business entity  
 18 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
 19 R.S., Ch. 1160, Sec. 12.)

20 Sec. 3821.055. INITIAL DIRECTORS. (a) The initial board  
 21 consists of the following persons:

	Pos. No.	Name of Director
23	1	W. L. "Scooter" Brown
24	2	Wes Perry
25	3	Ted Jones
26	4	Jon Morgan
27	5	Gerald Borron

- 1                                   6            Dub House
- 2                                   7            Lois Trombley
- 3                                   8            Mike Black
- 4                                   9            Christi Newton

5           (b) Of the initial directors, the terms of directors  
6 appointed for positions 1 through 5 expire June 1, 2007, and the  
7 terms of directors appointed for positions 6 through 9 expire June  
8 1, 2005.

9           (c) Section 3821.052 does not apply to this section.

10           (d) This section expires September 1, 2007. (Acts 78th  
11 Leg., R.S., Ch. 1160, Sec. 32.)

12                           [Sections 3821.056-3821.100 reserved for expansion]

13   SUBCHAPTER C. POWERS AND DUTIES

14           Sec. 3821.101. ADDITIONAL POWERS OF DISTRICT. The district  
15 may exercise the powers given to:

16                           (1) a corporation under Section 4B, Development  
17 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
18 Statutes), including the power to own, operate, acquire, construct,  
19 lease, improve, and maintain projects described by that section;  
20 and

21                           (2) a housing finance corporation under Chapter 394,  
22 Local Government Code, to provide housing or residential  
23 development projects in the district. (Acts 78th Leg., R.S., Ch.  
24 1160, Sec. 13.)

25           Sec. 3821.102. NONPROFIT CORPORATION. (a) The board by  
26 resolution may authorize the creation of a nonprofit corporation to  
27 assist and act for the district in implementing a project or



1 providing a service authorized by this chapter.

2 (b) The nonprofit corporation:

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

6 (2) may implement any project and provide any service  
7 authorized by this chapter.

8 (c) The board shall appoint the board of directors of the  
9 nonprofit corporation. The board of directors of the nonprofit  
10 corporation shall serve in the same manner as the board of directors  
11 of a local government corporation created under Chapter 431,  
12 Transportation Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 16.)

13 Sec. 3821.103. AGREEMENTS; GRANTS. (a) The district may  
14 make an agreement with or accept a gift, grant, or loan from any  
15 person.

16 (b) The implementation of a project is a governmental  
17 function or service for the purposes of Chapter 791, Government  
18 Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 14.)

19 Sec. 3821.104. LAW ENFORCEMENT SERVICES. To protect the  
20 public interest, the district may contract with Midland County or  
21 the City of Midland to provide law enforcement services in the  
22 district for a fee. (Acts 78th Leg., R.S., Ch. 1160, Sec. 15.)

23 Sec. 3821.105. COMPETITIVE BIDDING. Section 375.221, Local  
24 Government Code, applies to the district only for a contract that  
25 has a value greater than \$50,000. (Acts 78th Leg., R.S., Ch. 1160,  
26 Sec. 25.)

27 Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The

1 district may join and pay dues to an organization that:

2 (1) enjoys tax-exempt status under Section 501(c)(3),  
3 (4), or (6), Internal Revenue Code of 1986, as amended; and

4 (2) performs a service or provides an activity  
5 consistent with the furtherance of a district purpose. (Acts 78th  
6 Leg., R.S., Ch. 1160, Sec. 29.)

7 Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
8 district may establish and provide for the administration of one or  
9 more programs to promote state or local economic development and to  
10 stimulate business and commercial activity in the district,  
11 including programs to:

12 (1) make loans and grants of public money; and

13 (2) provide district personnel and services.

14 (b) For purposes of this section, the district has all of  
15 the powers of a municipality under Chapter 380, Local Government  
16 Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 31.)

17 Sec. 3821.108. ANNEXATION. The district may annex  
18 territory located inside the boundaries of a reinvestment zone  
19 created by the City of Midland under Chapter 311, Tax Code, if the  
20 governing body of the City of Midland consents to the annexation.  
21 (Acts 78th Leg., R.S., Ch. 1160, Sec. 27 (part).)

22 [Sections 3821.109-3821.150 reserved for expansion]

23 SUBCHAPTER D. FINANCIAL PROVISIONS

24 Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
25 board by resolution shall establish the number of directors'  
26 signatures and the procedure required for a disbursement or  
27 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1160,

1 Sec. 24.)

2 Sec. 3821.152. TAX AND BOND ELECTIONS. (a) The district  
3 shall hold an election in the manner provided by Subchapter L,  
4 Chapter 375, Local Government Code, to obtain voter approval before  
5 the district imposes a maintenance tax or issues bonds payable from  
6 ad valorem taxes.

7 (b) The board may include more than one purpose in a single  
8 proposition at an election.

9 (c) Section 375.243, Local Government Code, does not apply  
10 to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 18.)

11 Sec. 3821.153. MAINTENANCE AND OPERATION TAX. (a) If  
12 authorized at an election held in accordance with Section 3821.152,  
13 the district may impose an annual ad valorem tax on taxable property  
14 in the district for the:

15 (1) maintenance and operation of the district and the  
16 improvements constructed or acquired by the district; or

17 (2) provision of a service.

18 (b) The board shall determine the tax rate. (Acts 78th  
19 Leg., R.S., Ch. 1160, Sec. 19.)

20 Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
21 The board by resolution may impose an assessment for any purpose  
22 authorized by this chapter.

23 (b) The board may not impose an assessment on a parcel of  
24 real property that at the time of the assessment is appraised at  
25 less than \$200,000, according to the most recent certified tax  
26 appraisal roll for Midland County, without the written consent of  
27 the owner of the parcel.

1 (c) An assessment, a reassessment, or an assessment  
2 resulting from an addition to or correction of the assessment roll  
3 by the district, penalties and interest on an assessment or  
4 reassessment, an expense of collection, and reasonable attorney's  
5 fees incurred by the district:

6 (1) are a first and prior lien against the property  
7 assessed;

8 (2) are superior to any other lien or claim other than  
9 a lien or claim for county, school district, or municipal ad valorem  
10 taxes; and

11 (3) are the personal liability of and a charge against  
12 the owners of the property even if the owners are not named in the  
13 assessment proceedings.

14 (d) The lien is effective from the date of the board's  
15 resolution imposing the assessment until the date the assessment is  
16 paid. The board may enforce the lien in the same manner that the  
17 board may enforce an ad valorem tax lien against real property.

18 (e) The board may make a correction to or deletion from the  
19 assessment roll that does not increase the amount of assessment of  
20 any parcel of land without providing notice and holding a hearing in  
21 the manner required for additional assessments. (Acts 78th Leg.,  
22 R.S., Ch. 1160, Sec. 20.)

23 Sec. 3821.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
24 IMPROVEMENTS. (a) The board may not finance a service or  
25 improvement project with assessments under this chapter unless a  
26 written petition requesting that improvement or service has been  
27 filed with the board.

1 (b) The petition must be signed by:

2 (1) the owners of a majority of the assessed value of  
3 real property in the district subject to assessment according to  
4 the most recent certified tax appraisal roll for Midland County; or

5 (2) at least 25 owners of real property in the  
6 district, if more than 25 persons own real property in the district  
7 according to the most recent certified tax appraisal roll for  
8 Midland County. (Acts 78th Leg., R.S., Ch. 1160, Sec. 17.)

9 Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
10 ASSESSMENTS. The district may not impose an impact fee or  
11 assessment on the property, including the equipment,  
12 rights-of-way, facilities, or improvements, of:

13 (1) an electric utility or a power generation company  
14 as defined by Section 31.002, Utilities Code;

15 (2) a gas utility as defined by Section 101.003 or  
16 121.001, Utilities Code;

17 (3) a telecommunications provider as defined by  
18 Section 51.002, Utilities Code;

19 (4) a cable operator as defined by 47 U.S.C. Section  
20 522, as amended; or

21 (5) a person who provides to the public advanced  
22 telecommunications services. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
23 21.)

24 Sec. 3821.157. BONDS AND OTHER OBLIGATIONS. (a) The  
25 district may issue bonds or other obligations payable wholly or  
26 partly from ad valorem taxes, assessments, impact fees, revenue,  
27 grants, or other money of the district, or any combination of those

1 sources of money, to pay for any authorized purpose of the district.

2 (b) In exercising the district's power to borrow, the  
3 district may issue a bond or other obligation in the form of a bond,  
4 note, certificate of participation or other instrument evidencing a  
5 proportionate interest in payments to be made by the district, or  
6 other type of obligation. (Acts 78th Leg., R.S., Ch. 1160, Sec.  
7 22.)

8 Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
9 OBLIGATIONS. Except as provided by Section 375.263, Local  
10 Government Code, the City of Midland is not required to pay a bond,  
11 note, or other obligation of the district. (Acts 78th Leg., R.S.,  
12 Ch. 1160, Sec. 23.)

13 Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS. The district  
14 may grant in the manner authorized by Chapter 312, Tax Code, an  
15 abatement for a tax or assessment owed to the district. (Acts 78th  
16 Leg., R.S., Ch. 1160, Sec. 28.)

17 [Sections 3821.160-3821.200 reserved for expansion]

18 SUBCHAPTER E. DISSOLUTION

19 Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
20 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
21 that has debt. If the vote is in favor of dissolution, the district  
22 shall remain in existence solely for the limited purpose of  
23 discharging its debts. The dissolution is effective when all debts  
24 have been discharged.

25 (b) Section 375.264, Local Government Code, does not apply  
26 to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 26.)

1                   CHAPTER 3822. FALL CREEK MANAGEMENT DISTRICT

2                               SUBCHAPTER A. GENERAL PROVISIONS

3   Sec. 3822.001.   DEFINITIONS

4   Sec. 3822.002.   FALL CREEK MANAGEMENT DISTRICT

5   Sec. 3822.003.   PURPOSE; DECLARATION OF INTENT

6   Sec. 3822.004.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE

7   Sec. 3822.005.   DISTRICT TERRITORY

8   Sec. 3822.006.   ELIGIBILITY FOR INCLUSION IN SPECIAL  
9                               ZONES

10   Sec. 3822.007.   APPLICABILITY OF OTHER LAW

11   Sec. 3822.008.   LIBERAL CONSTRUCTION OF CHAPTER

12                   [Sections 3822.009-3822.050 reserved for expansion]

13                               SUBCHAPTER B. BOARD OF DIRECTORS

14   Sec. 3822.051.   COMPOSITION; TERMS

15   Sec. 3822.052.   APPOINTMENT OF DIRECTORS

16   Sec. 3822.053.   CONFLICTS OF INTEREST; ONE-TIME

17                               AFFIDAVIT

18   Sec. 3822.054.   INITIAL DIRECTORS

19                   [Sections 3822.055-3822.100 reserved for expansion]

20                               SUBCHAPTER C. POWERS AND DUTIES

21   Sec. 3822.101.   ADDITIONAL POWERS OF DISTRICT

22   Sec. 3822.102.   NONPROFIT CORPORATION

23   Sec. 3822.103.   AGREEMENTS; GRANTS

24   Sec. 3822.104.   LAW ENFORCEMENT SERVICES

25   Sec. 3822.105.   COMPETITIVE BIDDING

26   Sec. 3822.106.   MEMBERSHIP IN CHARITABLE ORGANIZATIONS

27   Sec. 3822.107.   ECONOMIC DEVELOPMENT PROGRAMS

1 Sec. 3822.108. MUNICIPAL APPROVAL

2 [Sections 3822.109-3822.150 reserved for expansion]

3 SUBCHAPTER D. FINANCIAL PROVISIONS

4 Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY

5 Sec. 3822.152. TAX AND BOND ELECTIONS

6 Sec. 3822.153. MAINTENANCE AND OPERATION TAX

7 Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

8 Sec. 3822.155. PETITION REQUIRED FOR FINANCING

9 SERVICES AND IMPROVEMENTS

10 Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT

11 FEES AND ASSESSMENTS

12 Sec. 3822.157. BONDS AND OTHER OBLIGATIONS

13 Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY

14 DISTRICT OBLIGATIONS

15 Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS

16 [Sections 3822.160-3822.200 reserved for expansion]

17 SUBCHAPTER E. DISSOLUTION

18 Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT

19 WITH OUTSTANDING DEBT

20 CHAPTER 3822. FALL CREEK MANAGEMENT DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 3822.001. DEFINITIONS. In this chapter:

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

25 (2) "District" means the Fall Creek Management  
26 District. (Acts 78th Leg., R.S., Ch. 1254, Sec. 2.)

27 Sec. 3822.002. FALL CREEK MANAGEMENT DISTRICT. The Fall



1 Creek Management District is a special district created under  
2 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
3 R.S., Ch. 1254, Sec. 1(a).)

4 Sec. 3822.003. PURPOSE; DECLARATION OF INTENT. (a) The  
5 creation of the district is essential to accomplish the purposes of  
6 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
7 Texas Constitution, and other public purposes stated in this  
8 chapter. By creating the district and in authorizing the City of  
9 Houston, Harris County, and other political subdivisions to  
10 contract with the district, the legislature has established a  
11 program to accomplish the public purposes set out in Section 52-a,  
12 Article III, Texas Constitution.

13 (b) The creation of the district is necessary to promote,  
14 develop, encourage, and maintain employment, commerce,  
15 transportation, housing, tourism, recreation, the arts,  
16 entertainment, economic development, safety, and the public  
17 welfare in the area of the district.

18 (c) This chapter and the creation of the district may not be  
19 interpreted to relieve Harris County or the City of Houston from  
20 providing the level of services provided, as of June 20, 2003, to  
21 the area in the district. The district is created to supplement and  
22 not to supplant the county or city services provided in the area in  
23 the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 3.)

24 Sec. 3822.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
25 The district is created to serve a public use and benefit.

26 (b) All land and other property included in the district  
27 will benefit from the improvements and services to be provided by

1 the district under powers conferred by Sections 52 and 52-a,  
2 Article III, and Section 59, Article XVI, Texas Constitution, and  
3 other powers granted under this chapter.

4 (c) The creation of the district is in the public interest  
5 and is essential to:

6 (1) further the public purposes of development and  
7 diversification of the economy of the state;

8 (2) eliminate unemployment and underemployment; and

9 (3) develop or expand transportation and commerce.

10 (d) The district will:

11 (1) promote the health, safety, and general welfare of  
12 residents, employers, employees, visitors, and consumers in the  
13 district, and of the public;

14 (2) provide needed funding to preserve, maintain, and  
15 enhance the economic health and vitality of the district as a  
16 community and business center; and

17 (3) promote the health, safety, welfare, and enjoyment  
18 of the public by providing pedestrian ways and by landscaping and  
19 developing certain areas in the district, which are necessary for  
20 the restoration, preservation, and enhancement of scenic beauty.

21 (e) Pedestrian ways along or across a street, whether at  
22 grade or above or below the surface, and street lighting, street  
23 landscaping, and street art objects are parts of and necessary  
24 components of a street and are considered to be a street or road  
25 improvement.

26 (f) The district will not act as the agent or  
27 instrumentality of any private interest even though the district

1 will benefit many private interests, as well as the public. (Acts  
2 78th Leg., R.S., Ch. 1254, Sec. 6.)

3 Sec. 3822.005. DISTRICT TERRITORY. (a) The district is  
4 composed of the territory described by Section 4, Chapter 1254,  
5 Acts of the 78th Legislature, Regular Session, 2003, as that  
6 territory may have been modified under:

- 7 (1) Subchapter J, Chapter 49, Water Code; or  
8 (2) other law.

9 (b) The boundaries and field notes of the district contained  
10 in Section 4, Chapter 1254, Acts of the 78th Legislature, Regular  
11 Session, 2003, form a closure. A mistake made in the field notes or  
12 in copying the field notes in the legislative process does not in  
13 any way affect the district's:

- 14 (1) organization, existence, or validity;  
15 (2) right to issue any type of bond for a purpose for  
16 which the district is created or to pay the principal of and  
17 interest on a bond;  
18 (3) right to impose or collect an assessment or tax; or  
19 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
20 1254, Sec. 5; New.)

21 Sec. 3822.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
22 All or any part of the area of the district is eligible to be  
23 included in:

- 24 (1) a tax increment reinvestment zone created by the  
25 City of Houston under Chapter 311, Tax Code;  
26 (2) a tax abatement reinvestment zone created by the  
27 City of Houston under Chapter 312, Tax Code; or

1           (3) an enterprise zone created by the City of Houston  
2 under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch.  
3 1254, Sec. 30.)

4           Sec. 3822.007. APPLICABILITY OF OTHER LAW. Except as  
5 otherwise provided by this chapter, Chapter 375, Local Government  
6 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1254,  
7 Sec. 7(a).)

8           Sec. 3822.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
9 chapter shall be construed liberally in conformity with the  
10 findings and purposes stated in this chapter. (Acts 78th Leg.,  
11 R.S., Ch. 1254, Sec. 8.)

12           [Sections 3822.009-3822.050 reserved for expansion]

13                           SUBCHAPTER B. BOARD OF DIRECTORS

14           Sec. 3822.051. COMPOSITION; TERMS. (a) The district is  
15 governed by a board of five directors appointed under Section  
16 3822.052.

17           (b) Directors serve staggered terms of four years, with two  
18 or three directors' terms expiring June 1 of each odd-numbered  
19 year.

20           (c) The board by resolution may increase or decrease the  
21 number of directors on the board if the board finds it is in the best  
22 interest of the district. The board may not consist of fewer than 5  
23 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1254, Sec.  
24 9.)

25           Sec. 3822.052. APPOINTMENT OF DIRECTORS. The mayor and  
26 members of the governing body of the City of Houston shall appoint  
27 directors from persons recommended by the board. A person is

1 appointed if a majority of the directors and the mayor vote to  
2 appoint that person. (Acts 78th Leg., R.S., Ch. 1254, Sec. 10.)

3 Sec. 3822.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

4 (a) Except as provided by this section:

5 (1) a director may participate in all board votes and  
6 decisions; and

7 (2) Chapter 171, Local Government Code, governs  
8 conflicts of interest for directors.

9 (b) Section 171.004, Local Government Code, does not apply  
10 to the district. A director who has a substantial interest in a  
11 business or charitable entity that will receive a pecuniary benefit  
12 from a board action shall file a one-time affidavit declaring the  
13 interest. An additional affidavit is not required if the  
14 director's interest changes. After the affidavit is filed with the  
15 board secretary, the director may participate in a discussion or  
16 vote on that action if:

17 (1) a majority of the directors have a similar  
18 interest in the same entity; or

19 (2) all other similar business or charitable entities  
20 in the district will receive a similar pecuniary benefit.

21 (c) A director who is also an officer or employee of a public  
22 entity may not participate in the discussion of or vote on a matter  
23 regarding a contract with that public entity.

24 (d) For purposes of this section, a director has a  
25 substantial interest in a charitable entity in the same manner that  
26 a person would have a substantial interest in a business entity  
27 under Section 171.002, Local Government Code. (Acts 78th Leg.,

1 R.S., Ch. 1254, Sec. 11.)

2 Sec. 3822.054. INITIAL DIRECTORS. (a) The initial board  
3 consists of the following persons:

4	Pos. No.	Name of Director
5	1	Jeff Anderson
6	2	John Deutser
7	3	Randy Jones
8	4	Jay Morris
9	5	Ned Piedmont

10 (b) Of the initial directors, the terms of directors  
11 appointed for positions 1 through 3 expire June 1, 2007, and the  
12 terms of directors appointed for positions 4 and 5 expire June 1,  
13 2005.

14 (c) Section 3822.052 does not apply to this section.

15 (d) This section expires September 1, 2007. (Acts 78th  
16 Leg., R.S., Ch. 1254, Sec. 27.)

17 [Sections 3822.055-3822.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 3822.101. ADDITIONAL POWERS OF DISTRICT. The district  
20 may exercise the powers given to:

21 (1) a corporation under Section 4B, Development  
22 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
23 Statutes), including the power to own, operate, acquire, construct,  
24 lease, improve, and maintain projects described by that section;

25 (2) a housing finance corporation under Chapter 394,  
26 Local Government Code, to provide housing or residential  
27 development projects in the district; and

1           (3) a municipality under Chapter 380, Local Government  
2 Code. (Acts 78th Leg., R.S., Ch. 1254, Secs. 12, 31 (part).)

3           Sec. 3822.102. NONPROFIT CORPORATION. (a) The board by  
4 resolution may authorize the creation of a nonprofit corporation to  
5 assist and act for the district in implementing a project or  
6 providing a service authorized by this chapter.

7           (b) The nonprofit corporation:

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

11           (2) may implement any project and provide any service  
12 authorized by this chapter.

13           (c) The board shall appoint the board of directors of the  
14 nonprofit corporation. The board of directors of the nonprofit  
15 corporation shall serve in the same manner as the board of directors  
16 of a local government corporation created under Chapter 431,  
17 Transportation Code. (Acts 78th Leg., R.S., Ch. 1254, Sec: 15.)

18           Sec. 3822.103. AGREEMENTS; GRANTS. (a) The district may  
19 make an agreement with or accept a gift, grant, or loan from any  
20 person.

21           (b) The implementation of a project is a governmental  
22 function or service for the purposes of Chapter 791, Government  
23 Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 13.)

24           Sec. 3822.104. LAW ENFORCEMENT SERVICES. To protect the  
25 public interest, the district may contract with Harris County or  
26 the City of Houston to provide law enforcement services in the  
27 district for a fee. (Acts 78th Leg., R.S., Ch. 1254, Sec. 14.)

1           Sec. 3822.105. COMPETITIVE BIDDING. Section 375.221, Local  
2 Government Code, applies to the district only for a contract that  
3 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 1254,  
4 Sec. 25.)

5           Sec. 3822.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
6 district may join and pay dues to an organization that enjoys  
7 tax-exempt status under Section 501(c)(3), (4), or (6), Internal  
8 Revenue Code of 1986, as amended, and may perform services or  
9 provide activities consistent with the furtherance of the purposes  
10 of the district. An expenditure of public money for membership in  
11 the organization is considered to further the purposes of the  
12 district and to be for a public purpose. (Acts 78th Leg., R.S., Ch.  
13 1254, Sec. 29.)

14           Sec. 3822.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
15 may establish and provide for the administration of one or more  
16 programs to promote state or local economic development and to  
17 stimulate business and commercial activity in the district,  
18 including programs to:

- 19                   (1) make loans and grants of public money; and  
20                   (2) provide district personnel and services. (Acts  
21 78th Leg., R.S., Ch. 1254, Sec. 31 (part).)

22           Sec. 3822.108. MUNICIPAL APPROVAL. (a) Except as provided  
23 by Subsection (b), the district must obtain approval from the  
24 governing body of the City of Houston for:

- 25                   (1) the issuance of bonds for an improvement project;  
26                   (2) the plans and specifications of an improvement  
27 project financed by the bonds; and



1 (3) the plans and specifications of a district  
2 improvement project related to:

3 (A) the use of land owned by the City of Houston;

4 (B) an easement granted by the City of Houston;

5 or

6 (C) a right-of-way of a street, road, or highway.

7 (b) If the district obtains approval from the governing body  
8 of the City of Houston for a capital improvements budget for a  
9 period not to exceed five years, the district may finance the  
10 capital improvements and issue bonds specified in the budget  
11 without further approval from the City of Houston. (Acts 78th Leg.,  
12 R.S., Ch. 1254, Sec. 22.)

13 [Sections 3822.109-3822.150 reserved for expansion]

14 SUBCHAPTER D. FINANCIAL PROVISIONS

15 Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
16 board by resolution shall establish the number of directors'  
17 signatures and the procedure required for a disbursement or  
18 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1254,  
19 Sec. 24.)

20 Sec. 3822.152. TAX AND BOND ELECTIONS. (a) The district  
21 shall hold an election in the manner provided by Subchapter L,  
22 Chapter 375, Local Government Code, to obtain voter approval before  
23 the district imposes a maintenance tax or issues bonds payable from  
24 ad valorem taxes.

25 (b) The board may include more than one purpose in a single  
26 proposition at an election.

27 (c) Section 375.243, Local Government Code, does not apply

1 to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 17.)

2           Sec. 3822.153. MAINTENANCE AND OPERATION TAX. (a) If  
3 authorized at an election held in accordance with Section 3822.152,  
4 the district may impose an annual ad valorem tax on taxable property  
5 in the district for the:

6                   (1) maintenance and operation of the district and the  
7 improvements constructed or acquired by the district; or

8                   (2) provision of a service.

9           (b) The board shall determine the tax rate. (Acts 78th  
10 Leg., R.S., Ch. 1254, Sec. 18.)

11           Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
12 The board by resolution may impose an assessment for any purpose  
13 authorized by this chapter.

14           (b) An assessment, a reassessment, or an assessment  
15 resulting from an addition to or correction of the assessment roll  
16 by the district, penalties and interest on an assessment or  
17 reassessment, an expense of collection, and reasonable attorney's  
18 fees incurred by the district:

19                   (1) are a first and prior lien against the property  
20 assessed;

21                   (2) are superior to any other lien or claim other than  
22 a lien or claim for county, school district, or municipal ad valorem  
23 taxes; and

24                   (3) are the personal liability of and a charge against  
25 the owners of the property even if the owners are not named in the  
26 assessment proceedings.

27           (c) The lien is effective from the date of the board's

1 resolution imposing the assessment until the date the assessment is  
2 paid. The board may enforce the lien in the same manner that the  
3 board may enforce an ad valorem tax lien against real property.

4 (d) The board may make a correction to or deletion from the  
5 assessment roll that does not increase the amount of assessment of  
6 any parcel of land without providing notice and holding a hearing in  
7 the manner required for additional assessments. (Acts 78th Leg.,  
8 R.S., Ch. 1254, Sec. 19.)

9 Sec. 3822.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
10 IMPROVEMENTS. (a) The board may not finance a service or  
11 improvement project with assessments under this chapter unless a  
12 written petition requesting that service or improvement has been  
13 filed with the board.

14 (b) The petition must be signed by:

15 (1) the owners of a majority of the assessed value of  
16 real property in the district subject to assessment according to  
17 the most recent certified tax appraisal roll for Harris County; or

18 (2) at least 25 owners of real property in the  
19 district, if more than 25 persons own real property in the district  
20 according to the most recent certified tax appraisal roll for  
21 Harris County. (Acts 78th Leg., R.S., Ch. 1254, Sec. 16.)

22 Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
23 ASSESSMENTS. The district may not impose an impact fee or  
24 assessment on the property, including the equipment,  
25 rights-of-way, facilities, or improvements, of:

26 (1) an electric utility or a power generation company  
27 as defined by Section 31.002, Utilities Code;

1           (2) a gas utility as defined by Section 101.003 or  
2 121.001, Utilities Code;

3           (3) a telecommunications provider as defined by  
4 Section 51.002, Utilities Code; or

5           (4) a person who provides to the public cable  
6 television or advanced telecommunications services. (Acts 78th  
7 Leg., R.S., Ch. 1254, Sec. 20 (part).)

8           Sec. 3822.157. BONDS AND OTHER OBLIGATIONS. (a) The  
9 district may issue bonds or other obligations payable wholly or  
10 partly from ad valorem taxes, assessments, impact fees, revenue,  
11 grants, or other money of the district, or any combination of those  
12 sources of money, to pay for any authorized purpose of the district.

13           (b) In exercising the district's power to borrow, the  
14 district may issue a bond or other obligation in the form of a bond,  
15 note, certificate of participation or other instrument evidencing a  
16 proportionate interest in payments to be made by the district, or  
17 other type of obligation. (Acts 78th Leg., R.S., Ch. 1254, Sec.  
18 21.)

19           Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
20 OBLIGATIONS. Except as provided by Section 375.263, Local  
21 Government Code, a municipality is not required to pay a bond, note,  
22 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
23 1254, Sec. 23.)

24           Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS. Without  
25 further authorization or other procedural requirement, the  
26 district may grant, consistent with Chapter 312, Tax Code, an  
27 abatement for a tax or assessment owed to the district. (Acts 78th

1 Leg., R.S., Ch. 1254, Sec. 28.)

2 [Sections 3822.160-3822.200 reserved for expansion]

3 SUBCHAPTER E. DISSOLUTION

4 Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
5 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
6 that has debt. If the vote is in favor of dissolution, the district  
7 shall remain in existence solely for the limited purpose of  
8 discharging its debts. The dissolution is effective when all debts  
9 have been discharged.

10 (b) Section 375.264, Local Government Code, does not apply  
11 to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 26.)

12 CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 3823.001. DEFINITIONS

15 Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT

16 Sec. 3823.003. DECLARATION OF INTENT

17 Sec. 3823.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

18 Sec. 3823.005. DISTRICT TERRITORY

19 Sec. 3823.006. APPLICABILITY OF OTHER LAW

20 Sec. 3823.007. LIBERAL CONSTRUCTION OF CHAPTER

21 [Sections 3823.008-3823.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 3823.051. COMPOSITION; TERMS

24 Sec. 3823.052. QUALIFICATIONS

25 Sec. 3823.053. APPOINTMENT OF DIRECTORS

26 Sec. 3823.054. CONFLICTS OF INTEREST; ONE-TIME

27 AFFIDAVIT

1 Sec. 3823.055. INITIAL DIRECTORS

2 [Sections 3823.056-3823.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 3823.101. ADDITIONAL POWERS OF DISTRICT

5 Sec. 3823.102. NONPROFIT CORPORATION

6 Sec. 3823.103. AGREEMENTS; GRANTS

7 Sec. 3823.104. LAW ENFORCEMENT SERVICES

8 Sec. 3823.105. COMPETITIVE BIDDING

9 Sec. 3823.106. ELECTRONIC TRANSMISSIONS

10 [Sections 3823.107-3823.150 reserved for expansion]

11 SUBCHAPTER D. FINANCIAL PROVISIONS

12 Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY

13 Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS

14 Sec. 3823.153. PETITION REQUIRED FOR FINANCING

15 SERVICES AND IMPROVEMENTS

16 Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT

17 FEES AND ASSESSMENTS

18 Sec. 3823.155. BONDS AND OTHER OBLIGATIONS

19 [Sections 3823.156-3823.200 reserved for expansion]

20 SUBCHAPTER E. DISSOLUTION

21 Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT

22 WITH OUTSTANDING DEBT

23 CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 3823.001. DEFINITIONS. In this chapter:

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

1           (2) "District" means the Great Southwest Improvement  
2 District. (Acts 78th Leg., R.S., Ch. 1159, Sec. 2.)

3           Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT. The  
4 Great Southwest Improvement District is a special district created  
5 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
6 Leg., R.S., Ch. 1159, Sec. 1(a).)

7           Sec. 3823.003. DECLARATION OF INTENT. (a) The creation of  
8 the district is essential to accomplish the purposes of Sections 52  
9 and 52-a, Article III, and Section 59, Article XVI, Texas  
10 Constitution, and other public purposes stated in this chapter.

11           (b) The creation of the district is necessary to promote,  
12 develop, encourage, and maintain employment, commerce,  
13 transportation, housing, tourism, recreation, the arts,  
14 entertainment, economic development, safety, and the public  
15 welfare in the area of the district.

16           (c) This chapter and the creation of the district may not be  
17 interpreted to relieve Tarrant County or the City of Arlington from  
18 providing the level of services provided as of June 20, 2003, to the  
19 area in the district. The district is created to supplement and not  
20 to supplant the county or city services provided in the area in the  
21 district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 3.)

22           Sec. 3823.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The district is created to serve a public use and benefit.

24           (b) All land and other property included in the district  
25 will benefit from the improvements and services to be provided by  
26 the district under powers conferred by Sections 52 and 52-a,  
27 Article III, and Section 59, Article XVI, Texas Constitution, and

1 other powers granted under this chapter.

2 (c) The creation of the district is in the public interest  
3 and is essential to:

4 (1) further the public purposes of development and  
5 diversification of the economy of the state;

6 (2) eliminate unemployment and underemployment; and

7 (3) develop or expand transportation and commerce.

8 (d) The district will:

9 (1) promote the health, safety, and general welfare of  
10 residents, employers, employees, visitors, and consumers in the  
11 district, and of the public;

12 (2) provide needed funding to preserve, maintain, and  
13 enhance the economic health and vitality of the district as a  
14 community and business center; and

15 (3) promote the health, safety, welfare, and enjoyment  
16 of the public by providing pedestrian ways and by landscaping and  
17 developing certain areas in the district, which are necessary for  
18 the restoration, preservation, and enhancement of scenic beauty.

19 (e) Pedestrian ways along or across a street, whether at  
20 grade or above or below the surface, and street lighting, street  
21 landscaping, and street art objects are parts of and necessary  
22 components of a street and are considered to be a street or road  
23 improvement.

24 (f) The district will not act as the agent or  
25 instrumentality of any private interest even though the district  
26 will benefit many private interests, as well as the public. (Acts  
27 78th Leg., R.S., Ch. 1159, Sec. 6.)



1           Sec. 3823.005. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 4, Chapter 1159,  
3 Acts of the 78th Legislature, Regular Session, 2003, as that  
4 territory may have been modified under:

- 5                   (1) Subchapter J, Chapter 49, Water Code; or  
6                   (2) other law.

7           (b) The boundaries and field notes of the district contained  
8 in Section 4, Chapter 1159, Acts of the 78th Legislature, Regular  
9 Session, 2003, form a closure. A mistake made in the field notes or  
10 in copying the field notes in the legislative process does not in  
11 any way affect the district's:

- 12                   (1) organization, existence, or validity;  
13                   (2) right to issue any type of bond for a purpose for  
14 which the district is created or to pay the principal of and  
15 interest on a bond;  
16                   (3) right to impose or collect an assessment or tax; or  
17                   (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
18 1159, Sec. 5; New.)

19           Sec. 3823.006. APPLICABILITY OF OTHER LAW. Except as  
20 otherwise provided by this chapter, Chapter 375, Local Government  
21 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1159,  
22 Sec. 7(a).)

23           Sec. 3823.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
24 chapter shall be construed liberally in conformity with the  
25 findings and purposes stated in this chapter. (Acts 78th Leg.,  
26 R.S., Ch. 1159, Sec. 8.)

27                   [Sections 3823.008-3823.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 3823.051. COMPOSITION; TERMS. The district is  
3 governed by a board of nine directors who serve staggered terms of  
4 four years, with four or five directors' terms expiring June 1 of  
5 each odd-numbered year. (Acts 78th Leg., R.S., Ch. 1159, Sec. 9.)

6 Sec. 3823.052. QUALIFICATIONS. (a) To be qualified to  
7 serve as a director, a person must be at least 18 years old and:

8 (1) an owner of property subject to assessment by the  
9 district;

10 (2) an owner of a beneficial interest in a trust that  
11 owns property subject to assessment by the district; or

12 (3) an agent, employee, or tenant nominated by a  
13 person covered by Subdivision (1) or (2).

14 (b) Section 375.063, Local Government Code, does not apply  
15 to the board. (Acts 78th Leg., R.S., Ch. 1159, Sec. 10.)

16 Sec. 3823.053. APPOINTMENT OF DIRECTORS. The governing  
17 body of the City of Arlington shall appoint directors from persons  
18 recommended by the board as provided by Section 375.064, Local  
19 Government Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 11.)

20 Sec. 3823.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

21 (a) Except as provided by this section:

22 (1) a director appointed under Section 11 may  
23 participate in all board votes and decisions; and

24 (2) Chapter 171, Local Government Code, governs  
25 conflicts of interest for directors.

26 (b) Section 171.004, Local Government Code, does not apply  
27 to the district. A director who has a substantial interest in a

1 business or charitable entity that will receive a pecuniary benefit  
2 from a board action shall file a one-time affidavit declaring the  
3 interest. An additional affidavit is not required if the  
4 director's interest changes. After the affidavit is filed with the  
5 board secretary, the director may participate in a discussion or  
6 vote on that action if:

7 (1) a majority of the directors have a similar  
8 interest in the same entity; or

9 (2) all other similar business or charitable entities  
10 in the district will receive a similar pecuniary benefit.

11 (c) A director who is also an officer or employee of a public  
12 entity may not participate in the discussion of or vote on a matter  
13 regarding a contract with that public entity.

14 (d) For purposes of this section, a director has a  
15 substantial interest in a charitable entity in the same manner that  
16 a person would have a substantial interest in a business entity  
17 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
18 R.S., Ch. 1159, Sec. 12.)

19 Sec. 3823.055. INITIAL DIRECTORS. (a) The initial board  
20 consists of the following persons:

21	Pos. No.	Name of Director
22	1	Jeff Williams
23	2	Jerry Jordan
24	3	Dirk Taylor
25	4	Kevin Santaularia
26	5	Mark Skinner
27	6	Bennett Carter

- 1                                 7             Knute Klingen
- 2                                 8             Ken McCall
- 3                                 9             Dennis Brown

4             (b) Of the initial directors, the terms of directors  
5 appointed for positions 1 through 5 expire on June 1, 2005, and the  
6 terms of directors appointed for positions 6 through 9 expire on  
7 June 1, 2007.

8             (c) Sections 3823.052 and 3823.053 do not apply to this  
9 section.

10            (d) This section expires September 1, 2007. (Acts 78th  
11 Leg., R.S., Ch. 1159, Sec. 25.)

12                                 [Sections 3823.056-3823.100 reserved for expansion]

13                                 SUBCHAPTER C. POWERS AND DUTIES

14            Sec. 3823.101. ADDITIONAL POWERS OF DISTRICT. The district  
15 may exercise the powers given to:

16                                 (1) a corporation under Section 4B, Development  
17 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
18 Statutes); and

19                                 (2) a housing finance corporation under Chapter 394,  
20 Local Government Code, to provide housing or residential  
21 development projects in the district. (Acts 78th Leg., R.S., Ch.  
22 1159, Sec. 14.)

23            Sec. 3823.102. NONPROFIT CORPORATION. (a) The board by  
24 resolution may authorize the creation of a nonprofit corporation to  
25 assist and act for the district in implementing a project or  
26 providing a service authorized by this chapter.

27                                 (b) The nonprofit corporation has each power of and is

1 considered for purposes of this chapter to be a local government  
2 corporation created under Chapter 431, Transportation Code.

3 (c) The board shall appoint the board of directors of the  
4 nonprofit corporation. The board of directors of the nonprofit  
5 corporation shall serve in the same manner as the board of directors  
6 of a local government corporation created under Chapter 431,  
7 Transportation Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 17.)

8 Sec. 3823.103. AGREEMENTS; GRANTS. (a) The district may  
9 make an agreement with or accept a gift, grant, or loan from any  
10 person.

11 (b) The implementation of a project is a governmental  
12 function or service for the purposes of Chapter 791, Government  
13 Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 15.)

14 Sec. 3823.104. LAW ENFORCEMENT SERVICES. To protect the  
15 public interest, the district may contract with Tarrant County or  
16 the City of Arlington to provide law enforcement services in the  
17 district for a fee. (Acts 78th Leg., R.S., Ch. 1159, Sec. 16.)

18 Sec. 3823.105. COMPETITIVE BIDDING. Section 375.221, Local  
19 Government Code, applies to the district only for a contract that  
20 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 1159,  
21 Sec. 23.)

22 Sec. 3823.106. ELECTRONIC TRANSMISSIONS. (a) The district  
23 may acquire, operate, or charge fees for the use of the district  
24 conduits for:

- 25 (1) another person's:
- 26 (A) telecommunications network;
- 27 (B) fiber-optic cable; or

1 (C) electronic transmission line; or  
2 (2) any other type of transmission line or supporting  
3 facility.

4 (b) The district may not require a person to use a district  
5 conduit. (Acts 78th Leg., R.S., Ch. 1159, Sec. 13.)

6 [Sections 3823.107-3823.150 reserved for expansion]

7 SUBCHAPTER D. FINANCIAL PROVISIONS

8 Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
9 board by resolution shall establish the number of directors'  
10 signatures and the procedure required for a disbursement or  
11 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1159,  
12 Sec. 22.)

13 Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
14 The board by resolution may impose an assessment for any purpose  
15 authorized by this chapter.

16 (b) An assessment, a reassessment, or an assessment  
17 resulting from an addition to or correction of the assessment roll  
18 by the district, penalties and interest on an assessment or  
19 reassessment, an expense of collection, and reasonable attorney's  
20 fees incurred by the district:

21 (1) are a first and prior lien against the property  
22 assessed;

23 (2) are superior to any other lien or claim other than  
24 a lien or claim for county, school district, or municipal ad valorem  
25 taxes; and

26 (3) are the personal liability of and a charge against  
27 the owners of the property even if the owners are not named in the

1 assessment proceedings.

2 (c) The lien is effective from the date of the board's  
3 resolution imposing the assessment until the date the assessment is  
4 paid. The board may enforce the lien in the same manner that the  
5 board may enforce an ad valorem tax lien against real property.  
6 (Acts 78th Leg., R.S., Ch. 1159, Sec. 19.)

7 Sec. 3823.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
8 IMPROVEMENTS. (a) The board may not finance a service or  
9 improvement project under this chapter unless a written petition  
10 requesting that service or improvement has been filed with the  
11 board.

12 (b) The petition must be signed by:

13 (1) the owners of a majority of the assessed value of  
14 real property in the district that will be subject to the assessment  
15 according to the most recent certified tax appraisal roll for  
16 Tarrant County; or

17 (2) at least 50 owners of real property in the district  
18 that will be subject to the assessment, if more than 50 persons own  
19 real property in the district that will be subject to assessment  
20 according to the most recent certified tax appraisal roll for  
21 Tarrant County.

22 (c) A petition requesting a project financed by bonds must  
23 be signed by the owners of a majority of the assessed value of real  
24 property in the district that will be subject to the assessment  
25 according to the most recent certified tax appraisal roll for  
26 Tarrant County. (Acts 78th Leg., R.S., Ch. 1159, Secs. 18, 21(c).)

27 Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND

1 ASSESSMENTS. The district may not impose an impact fee or  
2 assessment on the property, including the equipment,  
3 rights-of-way, facilities, or improvements, of:

4 (1) an electric utility or a power generation company  
5 as defined by Section 31.002, Utilities Code;

6 (2) a gas utility as defined by Section 101.003 or  
7 121.001, Utilities Code;

8 (3) a telecommunications provider as defined by  
9 Section 51.002, Utilities Code; or

10 (4) a person who provides to the public cable  
11 television or advanced telecommunications services. (Acts 78th  
12 Leg., R.S., Ch. 1159, Sec. 20.)

13 Sec. 3823.155. BONDS AND OTHER OBLIGATIONS. (a) The  
14 district may issue bonds or other obligations payable wholly or  
15 partly from assessments, impact fees, revenue, grants, or other  
16 money of the district, or any combination of those sources of money,  
17 to pay for any authorized purpose of the district.

18 (b) In exercising the district's power to borrow, the  
19 district may issue a bond or other obligation in the form of a bond,  
20 note, certificate of participation, or other instrument evidencing  
21 a proportionate interest in payments to be made by the district, or  
22 other type of obligation. (Acts 78th Leg., R.S., Ch. 1159, Secs.  
23 21(a), (b).)

24 [Sections 3823.156-3823.200 reserved for expansion]

25 SUBCHAPTER E. DISSOLUTION

26 Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
27 OUTSTANDING DEBT. (a) The board may vote to dissolve a district



1 that has debt. If the vote is in favor of dissolution, the district  
2 shall remain in existence solely for the limited purpose of  
3 discharging its debts. The dissolution is effective when all debts  
4 have been discharged.

5 (b) Section 375.264, Local Government Code, does not apply  
6 to the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 24.)

7 CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

- 9 Sec. 3824.001. DEFINITIONS
- 10 Sec. 3824.002. HARBORSIDE MANAGEMENT DISTRICT
- 11 Sec. 3824.003. PURPOSE; DECLARATION OF INTENT
- 12 Sec. 3824.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE
- 13 Sec. 3824.005. DISTRICT TERRITORY
- 14 Sec. 3824.006. ELIGIBILITY FOR INCLUSION IN SPECIAL
- 15 ZONES
- 16 Sec. 3824.007. APPLICABILITY OF OTHER LAW
- 17 Sec. 3824.008. LIBERAL CONSTRUCTION OF CHAPTER

18 [Sections 3824.009-3824.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

- 20 Sec. 3824.051. COMPOSITION; TERMS
- 21 Sec. 3824.052. APPOINTMENT OF DIRECTORS
- 22 Sec. 3824.053. NONVOTING DIRECTORS
- 23 Sec. 3824.054. CONFLICTS OF INTEREST; ONE-TIME

24 AFFIDAVIT

- 25 Sec. 3824.055. INITIAL DIRECTORS

26 [Sections 3824.056-3824.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 3824.101. ADDITIONAL POWERS OF DISTRICT

3 Sec. 3824.102. NONPROFIT CORPORATION

4 Sec. 3824.103. AGREEMENTS; GRANTS

5 Sec. 3824.104. LAW ENFORCEMENT SERVICES

6 Sec. 3824.105. COMPETITIVE BIDDING

7 Sec. 3824.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

8 Sec. 3824.107. ECONOMIC DEVELOPMENT PROGRAMS

9 [Sections 3824.108-3824.150 reserved for expansion]

10 SUBCHAPTER D. FINANCIAL PROVISIONS

11 Sec. 3824.151. DISBURSEMENTS OR TRANSFERS OF MONEY

12 Sec. 3824.152. TAX AND BOND ELECTIONS

13 Sec. 3824.153. MAINTENANCE AND OPERATION TAX

14 Sec. 3824.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

15 Sec. 3824.155. PETITION REQUIRED FOR FINANCING

16 SERVICES AND IMPROVEMENTS

17 Sec. 3824.156. UTILITY PROPERTY EXEMPT FROM IMPACT

18 FEES AND ASSESSMENTS

19 Sec. 3824.157. BONDS AND OTHER OBLIGATIONS

20 Sec. 3824.158. MUNICIPALITY NOT REQUIRED TO PAY

21 DISTRICT OBLIGATIONS

22 Sec. 3824.159. TAX AND ASSESSMENT ABATEMENTS

23 [Sections 3824.160-3824.200 reserved for expansion]

24 SUBCHAPTER E. DISSOLUTION

25 Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT

26 WITH OUTSTANDING DEBT

27 CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 3824.001. DEFINITIONS. In this chapter:

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

5 (2) "District" means the Harborside Management  
6 District. (Acts 78th Leg., R.S., Ch. 1255, Sec. 2.)

7 Sec. 3824.002. HARBORSIDE MANAGEMENT DISTRICT. The  
8 Harborside Management District is a special district created under  
9 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
10 R.S., Ch. 1255, Sec. 1(a).)

11 Sec. 3824.003. PURPOSE; DECLARATION OF INTENT. (a) The  
12 creation of the district is essential to accomplish the purposes of  
13 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
14 Texas Constitution, and other public purposes stated in this  
15 chapter. By creating the district and in authorizing the City of  
16 Galveston, Galveston County, and other political subdivisions to  
17 contract with the district, the legislature has established a  
18 program to accomplish the public purposes set out in Section 52-a,  
19 Article III, Texas Constitution.

20 (b) The creation of the district is necessary to promote,  
21 develop, encourage, and maintain employment, commerce,  
22 transportation, housing, tourism, recreation, the arts,  
23 entertainment, economic development, safety, and the public  
24 welfare in the area of the district.

25 (c) This chapter and the creation of the district may not be  
26 interpreted to relieve Galveston County or the City of Galveston  
27 from providing the level of services provided, as of June 20, 2003,

1 to the area in the district. The district is created to supplement  
2 and not to supplant the county or city services provided in the area  
3 in the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 3.)

4 Sec. 3824.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
5 The district is created to serve a public use and benefit.

6 (b) All land and other property included in the district  
7 will benefit from the improvements and services to be provided by  
8 the district under powers conferred by Sections 52 and 52-a,  
9 Article III, and Section 59, Article XVI, Texas Constitution, and  
10 other powers granted under this chapter.

11 (c) The creation of the district is in the public interest  
12 and is essential to:

13 (1) further the public purposes of development and  
14 diversification of the economy of the state;

15 (2) eliminate unemployment and underemployment; and

16 (3) develop or expand transportation and commerce.

17 (d) The district will:

18 (1) promote the health, safety, and general welfare of  
19 residents, employers, employees, visitors, and consumers in the  
20 district, and of the public;

21 (2) provide needed funding to preserve, maintain, and  
22 enhance the economic health and vitality of the district as a  
23 community and business center; and

24 (3) promote the health, safety, welfare, and enjoyment  
25 of the public by providing pedestrian ways and by landscaping and  
26 developing certain areas in the district, which are necessary for  
27 the restoration, preservation, and enhancement of scenic beauty.

1 (e) Pedestrian ways along or across a street, whether at  
2 grade or above or below the surface, and street lighting, street  
3 landscaping, and street art objects are parts of and necessary  
4 components of a street and are considered to be a street or road  
5 improvement.

6 (f) The district will not act as the agent or  
7 instrumentality of any private interest even though the district  
8 will benefit many private interests, as well as the public. (Acts  
9 78th Leg., R.S., Ch. 1255, Sec. 6.)

10 Sec. 3824.005. DISTRICT TERRITORY. (a) The district is  
11 composed of the territory described by Section 4, Chapter 1255,  
12 Acts of the 78th Legislature, Regular Session, 2003, as that  
13 territory may have been modified under:

- 14 (1) Subchapter J, Chapter 49, Water Code; or
- 15 (2) other law.

16 (b) The boundaries and field notes of the district contained  
17 in Section 4, Chapter 1255, Acts of the 78th Legislature, Regular  
18 Session, 2003, form a closure. A mistake made in the field notes or  
19 in copying the field notes in the legislative process does not in  
20 any way affect the district's:

- 21 (1) organization, existence, or validity;
- 22 (2) right to issue any type of bond for a purpose for  
23 which the district is created or to pay the principal of and  
24 interest on a bond;
- 25 (3) right to impose or collect an assessment or tax; or
- 26 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
27 1255, Sec. 5; New.)

1           Sec. 3824.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

2 All or any part of the area of the district is eligible to be  
3 included in:

4           (1) a tax increment reinvestment zone created by the  
5 City of Galveston under Chapter 311, Tax Code;

6           (2) a tax abatement reinvestment zone created by the  
7 City of Galveston under Chapter 312, Tax Code; or

8           (3) an enterprise zone created by the City of  
9 Galveston under Chapter 2303, Government Code. (Acts 78th Leg.,  
10 R.S., Ch. 1255, Sec. 30.)

11           Sec. 3824.007. APPLICABILITY OF OTHER LAW. Except as  
12 otherwise provided by this chapter, Chapter 375, Local Government  
13 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1255,  
14 Sec. 7(a).)

15           Sec. 3824.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
16 chapter shall be construed liberally in conformity with the  
17 findings and purposes stated in this chapter. (Acts 78th Leg.,  
18 R.S., Ch. 1255, Sec. 8.)

19           [Sections 3824.009-3824.050 reserved for expansion]

20                           SUBCHAPTER B. BOARD OF DIRECTORS

21           Sec. 3824.051. COMPOSITION; TERMS. (a) Except as provided  
22 by Subsection (c), the district is governed by a board of five  
23 voting directors appointed under Section 3824.052 and nonvoting  
24 directors as provided by Section 3824.053.

25           (b) Voting directors serve staggered terms of four years,  
26 with two or three directors' terms expiring June 1 of each  
27 odd-numbered year.

1 (c) The board by resolution may increase or decrease the  
2 number of directors on the board if the board finds it is in the best  
3 interest of the district. The board may not consist of fewer than 5  
4 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
5 9.)

6 Sec. 3824.052. APPOINTMENT OF DIRECTORS. The governing  
7 body of the City of Galveston shall appoint voting directors to the  
8 board. (Acts 78th Leg., R.S., Ch. 1255, Sec. 10.)

9 Sec. 3824.053. NONVOTING DIRECTORS. (a) The following  
10 persons serve as nonvoting directors:

11 (1) the directors of the following departments of the  
12 City of Galveston or a person designated by that director:

- 13 (A) parks and recreation;  
14 (B) planning and zoning; and  
15 (C) public works; and

16 (2) the city manager of the City of Galveston or a  
17 person designated by the city manager.

18 (b) If a department described by Subsection (a) is  
19 consolidated, renamed, or changed, the board may appoint a director  
20 of the consolidated, renamed, or changed department as a nonvoting  
21 director. If a department described by Subsection (a) is  
22 abolished, the board may appoint a representative of another  
23 department that performs duties comparable to those performed by  
24 the abolished department.

25 (c) Nonvoting directors are not counted for the purposes of  
26 establishing a quorum of the board. (Acts 78th Leg., R.S., Ch.  
27 1255, Sec. 11.)

1           Sec. 3824.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

2           (a) Except as provided by this section:

3                   (1) a director may participate in all board votes and  
4 decisions; and

5                   (2) Chapter 171, Local Government Code, governs  
6 conflicts of interest for directors.

7           (b) Section 171.004, Local Government Code, does not apply  
8 to the district. A director who has a substantial interest in a  
9 business or charitable entity that will receive a pecuniary benefit  
10 from a board action shall file a one-time affidavit declaring the  
11 interest. An additional affidavit is not required if the  
12 director's interest changes. After the affidavit is filed with the  
13 board secretary, the director may participate in a discussion or  
14 vote on that action if:

15                   (1) a majority of the directors have a similar  
16 interest in the same entity; or

17                   (2) all other similar business or charitable entities  
18 in the district will receive a similar pecuniary benefit.

19           (c) A director who is also an officer or employee of a public  
20 entity may not participate in the discussion of or vote on a matter  
21 regarding a contract with that public entity.

22           (d) For purposes of this section, a director has a  
23 substantial interest in a charitable entity in the same manner that  
24 a person would have a substantial interest in a business entity  
25 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
26 R.S., Ch. 1255, Sec. 12.)

27           Sec. 3824.055. INITIAL DIRECTORS. (a) The initial board



1 consists of the following persons:

2	Pos. No.	Name of Director
3	1	John Sullivan
4	2	Richard Ryan
5	3	John Kelso
6	4	Douglas Harris
7	5	Glenn Forman, Jr.

8 (b) Of the initial directors, the terms of directors  
9 appointed for positions 1 through 3 expire June 1, 2007, and the  
10 terms of directors appointed for positions 4 and 5 expire June 1,  
11 2005.

12 (c) Section 3824.052 does not apply to this section.

13 (d) This section expires September 1, 2007. (Acts 78th Leg.,  
14 R.S., Ch. 1255, Sec. 27.)

15 [Sections 3824.056-3824.100 reserved for expansion]

16 SUBCHAPTER C. POWERS AND DUTIES

17 Sec. 3824.101. ADDITIONAL POWERS OF DISTRICT. The district  
18 may exercise the powers given to:

19 (1) a corporation under Section 4B, Development  
20 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
21 Statutes), including the power to own, operate, acquire, construct,  
22 lease, improve, and maintain projects described by that section;

23 (2) a housing finance corporation under Chapter 394,  
24 Local Government Code, to provide housing or residential  
25 development projects in the district;

26 (3) a municipality under Chapter 380, Local Government  
27 Code;

1           (4) an entity described in Chapters 284 and 441,  
2 Transportation Code; and

3           (5) a district governed by Subchapters E and M,  
4 Chapter 60, Water Code, and Section 61.116, Water Code. (Acts 78th  
5 Leg., R.S., Ch. 1255, Secs. 13, 31 (part).)

6           Sec. 3824.102. NONPROFIT CORPORATION. (a) The board by  
7 resolution may authorize the creation of a nonprofit corporation to  
8 assist and act for the district in implementing a project or  
9 providing a service authorized by this chapter.

10          (b) The nonprofit corporation:

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

14           (2) may implement any project and provide any service  
15 authorized by this chapter.

16          (c) The board shall appoint the board of directors of the  
17 nonprofit corporation. The board of directors of the nonprofit  
18 corporation shall serve in the same manner as the board of directors  
19 of a local government corporation created under Chapter 431,  
20 Transportation Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 16.)

21          Sec. 3824.103. AGREEMENTS; GRANTS. (a) The district may  
22 make an agreement with or accept a gift, grant, or loan from any  
23 person.

24          (b) The implementation of a project is a governmental  
25 function or service for the purposes of Chapter 791, Government  
26 Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 14.)

27          Sec. 3824.104. LAW ENFORCEMENT SERVICES. To protect the

1 public interest, the district may contract with Galveston County or  
2 the City of Galveston to provide law enforcement services in the  
3 district for a fee. (Acts 78th Leg., R.S., Ch. 1255, Sec. 15.)

4 Sec. 3824.105. COMPETITIVE BIDDING. Section 375.221, Local  
5 Government Code, applies to the district only for a contract that  
6 has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 1255,  
7 Sec. 25.)

8 Sec. 3824.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a)  
9 The district may join and pay dues to an organization that:

10 (1) enjoys tax-exempt status under Section 501(c)(3),  
11 (4), or (6), Internal Revenue Code of 1986, as amended; and

12 (2) performs a service or provides an activity  
13 consistent with the furtherance of a district purpose.

14 (b) An expenditure of public money for membership in the  
15 organization is considered to further a district purpose and to be  
16 for a public purpose. (Acts 78th Leg., R.S., Ch. 1255, Sec. 29.)

17 Sec. 3824.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
18 may establish and provide for the administration of one or more  
19 programs to promote state or local economic development and to  
20 stimulate business and commercial activity in the district,  
21 including programs to:

22 (1) make loans and grants of public money; and

23 (2) provide district personnel and services. (Acts  
24 78th Leg., R.S., Ch. 1255, Sec. 31 (part).)

25 [Sections 3824.108-3824.150 reserved for expansion]

26 SUBCHAPTER D. FINANCIAL PROVISIONS

27 Sec. 3824.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The

1 board by resolution shall establish the number of directors'  
2 signatures and the procedure required for a disbursement or  
3 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1255,  
4 Sec. 24.)

5 Sec. 3824.152. TAX AND BOND ELECTIONS. (a) The district  
6 shall hold an election in the manner provided by Subchapter L,  
7 Chapter 375, Local Government Code, to obtain voter approval before  
8 the district imposes a maintenance tax or issues bonds payable from  
9 ad valorem taxes.

10 (b) The board may not include more than one purpose in a  
11 single proposition at an election.

12 (c) Section 375.243, Local Government Code, does not apply  
13 to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 18.)

14 Sec. 3824.153. MAINTENANCE AND OPERATION TAX. (a) If  
15 authorized at an election held in accordance with Section 3824.152,  
16 the district may impose an annual ad valorem tax on taxable property  
17 in the district for the:

18 (1) maintenance and operation of the district and the  
19 improvements constructed or acquired by the district; or

20 (2) provision of a service.

21 (b) The board shall determine the tax rate. (Acts 78th  
22 Leg., R.S., Ch. 1255, Sec. 19.)

23 Sec. 3824.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
24 The board by resolution may impose an assessment for any purpose  
25 authorized by this chapter.

26 (b) An assessment, a reassessment, or an assessment  
27 resulting from an addition to or correction of the assessment roll

1 by the district, penalties and interest on an assessment or  
2 reassessment, an expense of collection, and reasonable attorney's  
3 fees incurred by the district:

4 (1) are a first and prior lien against the property  
5 assessed;

6 (2) are superior to any other lien or claim other than  
7 a lien or claim for county, school district, or municipal ad valorem  
8 taxes; and

9 (3) are the personal liability of and a charge against  
10 the owners of the property even if the owners are not named in the  
11 assessment proceedings.

12 (c) The lien is effective from the date of the board's  
13 resolution imposing the assessment until the date the assessment is  
14 paid. The board may enforce the lien in the same manner that the  
15 board may enforce an ad valorem tax lien against real property.

16 (d) The board may make a correction to or deletion from the  
17 assessment roll that does not increase the amount of assessment of  
18 any parcel of land without providing notice and holding a hearing in  
19 the manner required for additional assessments. (Acts 78th Leg.,  
20 R.S., Ch. 1255, Sec. 20.)

21 Sec. 3824.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
22 IMPROVEMENTS. (a) The board may not finance a service or  
23 improvement project with assessments under this chapter unless a  
24 written petition requesting that service or improvement has been  
25 filed with the board.

26 (b) The petition must be signed by the owners of a majority  
27 of the assessed value of real property in the district subject to

1 assessment according to the most recent certified tax appraisal  
2 roll for Galveston County. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
3 17.)

4 Sec. 3824.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
5 ASSESSMENTS. The district may not impose an impact fee or  
6 assessment on the property, including the equipment,  
7 rights-of-way, facilities, or improvements, of:

8 (1) an electric utility or a power generation company  
9 as defined by Section 31.002, Utilities Code;

10 (2) a gas utility as defined by Section 101.003 or  
11 121.001, Utilities Code;

12 (3) a telecommunications provider as defined by  
13 Section 51.002, Utilities Code; or

14 (4) a person who provides to the public cable  
15 television or advanced telecommunications services. (Acts 78th  
16 Leg., R.S., Ch. 1255, Sec. 21 (part).)

17 Sec. 3824.157. BONDS AND OTHER OBLIGATIONS. (a) The  
18 district may issue bonds or other obligations payable wholly or  
19 partly from ad valorem taxes, assessments, impact fees, revenue,  
20 grants, or other money of the district, or any combination of those  
21 sources of money, to pay for any authorized purpose of the district.

22 (b) In exercising the district's power to borrow, the  
23 district may issue a bond or other obligation in the form of a bond,  
24 note, certificate of participation or other instrument evidencing a  
25 proportionate interest in payments to be made by the district, or  
26 other type of obligation. (Acts 78th Leg., R.S., Ch. 1255, Sec.  
27 22.)

1           Sec. 3824.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
2 OBLIGATIONS.    Except as provided by Section 375.263, Local  
3 Government Code, a municipality is not required to pay a bond, note,  
4 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
5 1255, Sec. 23.)

6           Sec. 3824.159. TAX AND ASSESSMENT ABATEMENTS.    Without  
7 further authorization or other procedural requirement, the  
8 district may grant, consistent with Chapter 312, Tax Code, an  
9 abatement for a tax or assessment owed to the district. (Acts 78th  
10 Leg., R.S., Ch. 1255, Sec. 28.)

11           [Sections 3824.160-3824.200 reserved for expansion]

12                                   SUBCHAPTER E. DISSOLUTION

13           Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
14 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
15 that has debt. If the vote is in favor of dissolution, the district  
16 shall remain in existence solely for the limited purpose of  
17 discharging its debts. The dissolution is effective when all debts  
18 have been discharged.

19           (b) Section 375.264, Local Government Code, does not apply  
20 to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 26.)

21           CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

22                                   SUBCHAPTER A. GENERAL PROVISIONS

23           Sec. 3825.001. DEFINITIONS

24           Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT  
25                                   NO. 1

26           Sec. 3825.003. PURPOSE; DECLARATION OF INTENT

27           Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

1 Sec. 3825.005. DISTRICT TERRITORY

2 Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER

3 [Sections 3825.007-3825.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 3825.051. COMPOSITION; TERMS

6 Sec. 3825.052. QUALIFICATIONS

7 Sec. 3825.053. ELECTION DATE

8 Sec. 3825.054. INITIAL DIRECTORS

9 [Sections 3825.055-3825.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 3825.101. POWERS OF DISTRICT

12 Sec. 3825.102. AGREEMENTS; GRANTS

13 Sec. 3825.103. LAW ENFORCEMENT SERVICES

14 [Sections 3825.104-3825.150 reserved for expansion]

15 SUBCHAPTER D. FINANCIAL PROVISIONS

16 Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,

17 ASSESSMENTS, AND IMPACT FEES

18 Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS

19 Sec. 3825.153. MAINTENANCE AND OPERATION TAX

20 Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

21 Sec. 3825.155. PETITION REQUIRED FOR FINANCING

22 SERVICES AND IMPROVEMENTS

23 Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT

24 FEES AND ASSESSMENTS

25 Sec. 3825.157. BONDS AND OTHER OBLIGATIONS

26 CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

27 SUBCHAPTER A. GENERAL PROVISIONS



1           Sec. 3825.001. DEFINITIONS. In this chapter:

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

4           (2) "District" means Harris County Road Improvement  
5 District No. 1. (Acts 78th Leg., R.S., Ch. 885, Sec. 3.)

6           Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO.

7 1. Harris County Road Improvement District No. 1 is a special  
8 district created under Section 52, Article III, and Section 59,  
9 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 885,  
10 Sec. 1(a).)

11           Sec. 3825.003. PURPOSE; DECLARATION OF INTENT. (a) The  
12 creation of the district is essential to accomplish the purposes of  
13 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
14 Texas Constitution, and other public purposes stated in this  
15 chapter.

16           (b) The creation of the district is necessary to promote,  
17 develop, encourage, and maintain employment, commerce,  
18 transportation, housing, tourism, recreation, the arts,  
19 entertainment, economic development, safety, and the public  
20 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
21 885, Sec. 2.)

22           Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The district is created to serve a public use and benefit.

24           (b) All land and other property included in the district  
25 will benefit from the improvements and services to be provided by  
26 the district under powers conferred by Sections 52 and 52-a,  
27 Article III, and Section 59, Article XVI, Texas Constitution, and

1 other powers granted under this chapter.

2 (c) The creation of the district is in the public interest  
3 and is essential to:

4 (1) further the public purposes of development and  
5 diversification of the economy of the state;

6 (2) eliminate unemployment and underemployment; and

7 (3) develop or expand transportation and commerce.

8 (d) The present and prospective traffic congestion in the  
9 district and the safety of pedestrians and the limited availability  
10 of funds require the promotion and development of public  
11 transportation and pedestrian facilities and systems, and the  
12 district will serve the public purpose of securing expanded and  
13 improved transportation and pedestrian facilities and systems.

14 (e) The district will:

15 (1) promote the health, safety, and general welfare of  
16 residents, employers, employees, visitors, and consumers in the  
17 district, and of the public;

18 (2) provide needed funding to preserve, maintain, and  
19 enhance the economic health and vitality of the district as a  
20 community; and

21 (3) promote the health, safety, welfare, and enjoyment  
22 of the public by providing pedestrian ways and by landscaping and  
23 developing certain areas in the district, which are necessary for  
24 the restoration, preservation, and enhancement of scenic beauty.

25 (f) Pedestrian ways along or across a street, whether at  
26 grade or above or below the surface, and street lighting, street  
27 landscaping, and street art objects are parts of and necessary

1 components of a street and are considered to be a street or road  
2 improvement.

3 (g) The district will not act as the agent or  
4 instrumentality of any private interest even though the district  
5 will benefit many private interests, as well as the public. (Acts  
6 78th Leg., R.S., Ch. 885, Sec. 6.)

7 Sec. 3825.005. DISTRICT TERRITORY. (a) The district is  
8 composed of the territory described by Section 4, Chapter 885, Acts  
9 of the 78th Legislature, Regular Session, 2003, as that territory  
10 may have been modified under:

- 11 (1) Subchapter J, Chapter 49, Water Code; or  
12 (2) other law.

13 (b) The boundaries and field notes of the district contained  
14 in Section 4, Chapter 885, Acts of the 78th Legislature, Regular  
15 Session, 2003, form a closure. A mistake made in the field notes or  
16 in copying the field notes in the legislative process does not in  
17 any way affect the district's:

- 18 (1) organization, existence, or validity;  
19 (2) right to issue any type of bond for the purposes  
20 for which the district is created or to pay the principal of and  
21 interest on a bond;  
22 (3) right to impose or collect an assessment or tax; or  
23 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
24 885, Sec. 5; New.)

25 Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
26 chapter shall be construed liberally in conformity with the  
27 findings and purposes set forth in this chapter. (Acts 78th Leg.,

1 R.S., Ch. 885, Sec. 8(a).)

2 [Sections 3825.007-3825.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 3825.051. COMPOSITION; TERMS. The district is  
5 governed by a board of five elected directors. Directors serve  
6 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 885, Sec.  
7 9(a).)

8 Sec. 3825.052. QUALIFICATIONS. (a) A person must meet the  
9 qualifications of Section 375.063, Local Government Code, to serve  
10 as a district director.

11 (b) Section 49.052, Water Code, does not apply to district  
12 directors. (Acts 78th Leg., R.S., Ch. 885, Sec. 10.)

13 Sec. 3825.053. ELECTION DATE. Elections for directors  
14 shall be held on the uniform election date in May in even-numbered  
15 years. (Acts 78th Leg., R.S., Ch. 885, Sec. 9(b).)

16 Sec. 3825.054. INITIAL DIRECTORS. (a) The initial board  
17 consists of the following persons:

18 David Flickinger

19 Julie Roberts

20 Ingelisa Keeling

21 James Warnica

22 Kim Osburn

23 (b) Of the initial directors, the terms of the first three  
24 directors named in Subsection (a) expire on June 1, 2006, and the  
25 terms of the last two directors named in Subsection (a) expire on  
26 June 1, 2004.

27 (c) On the uniform election date in May 2004, the board

1 shall hold an election for the directors whose terms expire on June  
2 1, 2004. On the uniform election date in May 2006, the board shall  
3 hold an election for the directors whose terms expire on June 1,  
4 2006.

5 (d) This section expires September 1, 2006. (Acts 78th Leg.,  
6 R.S., Ch. 885, Sec. 19.)

7 [Sections 3825.055-3825.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 3825.101. POWERS OF DISTRICT. The district has all  
10 powers provided by the general laws on road districts and road  
11 utility districts created under Section 52, Article III, Texas  
12 Constitution, and conservation and reclamation districts and  
13 municipal management districts created under Section 59, Article  
14 XVI, Texas Constitution, including:

- 15 (1) Chapters 257 and 441, Transportation Code;  
16 (2) Chapter 375, Local Government Code; and  
17 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,  
18 R.S., Ch. 885, Sec. 11.)

19 Sec. 3825.102. AGREEMENTS; GRANTS. (a) The district may  
20 make an agreement with or accept a gift, grant, or loan from any  
21 person.

22 (b) The implementation of a project is a governmental  
23 function or service for the purposes of Chapter 791, Government  
24 Code. (Acts 78th Leg., R.S., Ch. 885, Sec. 12.)

25 Sec. 3825.103. LAW ENFORCEMENT SERVICES. To protect the  
26 public interest, the district may contract with a municipality or  
27 county to provide law enforcement services in the district for a

1 fee. (Acts 78th Leg., R.S., Ch. 885, Sec. 13.)

2 [Sections 3825.104-3825.150 reserved for expansion]

3 SUBCHAPTER D. FINANCIAL PROVISIONS

4 Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
5 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
6 tax, assessment, or impact fee and use the proceeds of the tax,  
7 assessment, or impact fee for:

8 (1) any district purpose, including the payment of  
9 debt or other contractual obligations; or

10 (2) the payment of maintenance and operating expenses.  
11 (Acts 78th Leg., R.S., Ch. 885, Sec. 14.)

12 Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
13 district must hold an election in the manner provided by Chapters 49  
14 and 54, Water Code, to obtain voter approval before the district  
15 imposes a maintenance tax or issues bonds payable from ad valorem  
16 taxes.

17 (b) The board may include more than one purpose in a single  
18 proposition at an election. (Acts 78th Leg., R.S., Ch. 885, Sec.  
19 15.)

20 Sec. 3825.153. MAINTENANCE AND OPERATION TAX. (a) The  
21 district may impose an annual ad valorem tax on taxable property in  
22 the district for any district purpose, including to:

23 (1) maintain and operate the district and the  
24 improvements constructed or acquired by the district; or

25 (2) provide a service.

26 (b) The board shall determine the tax rate. (Acts 78th  
27 Leg., R.S., Ch. 885, Sec. 16.)

1           Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

2 The board by resolution may impose an assessment for any purpose  
3 authorized by this chapter.

4           (b) An assessment, a reassessment, or an assessment  
5 resulting from an addition to or correction of the assessment roll  
6 by the district, penalties and interest on an assessment or  
7 reassessment, an expense of collection, and reasonable attorney's  
8 fees incurred by the district:

9                   (1) are a first and prior lien against the property  
10 assessed;

11                   (2) are superior to any other lien or claim other than  
12 a lien or claim for county, school district, or municipal ad valorem  
13 taxes; and

14                   (3) are the personal liability of and a charge against  
15 the owners of the property even if the owners are not named in the  
16 assessment proceeding.

17           (c) The lien is effective from the date of the board's  
18 resolution imposing the assessment until the date the assessment is  
19 paid. The board may enforce the lien in the same manner that the  
20 board may enforce an ad valorem tax lien against real property.  
21 (Acts 78th Leg., R.S., Ch. 885, Secs. 17(a), (d), (e).)

22           Sec. 3825.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
23 IMPROVEMENTS. (a) The board may not finance a service or  
24 improvement project through an assessment under this chapter unless  
25 a written petition requesting that service or improvement has been  
26 filed with the board.

27           (b) The petition must be signed by:

1           (1) the owners of a majority of the assessed value of  
2 real property in the district that will be subject to the assessment  
3 according to the most recent certified tax appraisal roll for the  
4 county in which the property is located; or

5           (2) at least 25 owners of land in the district that  
6 will be subject to the assessment, if more than 25 persons own land  
7 in the district that will be subject to the assessment according to  
8 the most recent certified tax appraisal roll for the county in which  
9 the property is located. (Acts 78th Leg., R.S., Ch. 885, Sec.  
10 17(b).)

11           Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
12 ASSESSMENTS. The district may not impose an impact fee or  
13 assessment on the property, including the equipment or facilities,  
14 of:

15           (1) an electric utility as defined by Section 31.002,  
16 Utilities Code;

17           (2) a gas utility as defined by Section 101.003 or  
18 121.001, Utilities Code;

19           (3) a telecommunications provider as defined by  
20 Section 51.002, Utilities Code; or

21           (4) a cable operator as defined by 47 U.S.C. Section  
22 522, as amended. (Acts 78th Leg., R.S., Ch. 885, Sec. 17(c).)

23           Sec. 3825.157. BONDS AND OTHER OBLIGATIONS. (a) The  
24 district may issue bonds or other obligations payable wholly or  
25 partly from ad valorem taxes, assessments, impact fees, revenue,  
26 grants, or other money of the district, or any combination of those  
27 sources of money, to pay for any authorized purpose of the district.



1 (b) In exercising the district's power to borrow, the  
2 district may issue a bond or other obligation in the form of a bond,  
3 note, certificate of participation or other instrument evidencing a  
4 proportionate interest in payments to be made by the district, or  
5 other type of obligation. (Acts 78th Leg., R.S., Ch. 885, Sec. 18.)

6 CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 3826.001. DEFINITIONS

9 Sec. 3826.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT  
10 NO. 2

11 Sec. 3826.003. PURPOSE; DECLARATION OF INTENT

12 Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

13 Sec. 3826.005. DISTRICT TERRITORY

14 Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER

15 [Sections 3826.007-3826.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 3826.051. COMPOSITION; TERMS

18 Sec. 3826.052. QUALIFICATIONS

19 Sec. 3826.053. ELECTION DATE

20 Sec. 3826.054. INITIAL DIRECTORS

21 [Sections 3826.055-3826.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 3826.101. POWERS OF DISTRICT

24 Sec. 3826.102. AGREEMENTS; GRANTS

25 Sec. 3826.103. LAW ENFORCEMENT SERVICES

26 [Sections 3826.104-3826.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3826.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
ASSESSMENTS, AND IMPACT FEES

Sec. 3826.152. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3826.153. MAINTENANCE AND OPERATION TAX

Sec. 3826.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3826.155. PETITION REQUIRED FOR FINANCING

SERVICES AND IMPROVEMENTS

Sec. 3826.156. UTILITY PROPERTY EXEMPT FROM IMPACT  
FEES AND ASSESSMENTS

Sec. 3826.157. BONDS AND OTHER OBLIGATIONS

CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3826.001. DEFINITIONS. In this chapter:

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

(2) "District" means Harris County Road Improvement District No. 2. (Acts 78th Leg., R.S., Ch. 1297, Sec. 3.)

Sec. 3826.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2. Harris County Road Improvement District No. 2 is a special district created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1297, Sec. 1(a).)

Sec. 3826.003. PURPOSE; DECLARATION OF INTENT. (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

1 chapter.

2 (b) The creation of the district is necessary to promote,  
3 develop, encourage, and maintain employment, commerce,  
4 transportation, housing, tourism, recreation, the arts,  
5 entertainment, economic development, safety, and the public  
6 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
7 1297, Sec. 2.)

8 Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
9 The district is created to serve a public use and benefit.

10 (b) All land and other property included in the district  
11 will benefit from the improvements and services to be provided by  
12 the district under powers conferred by Sections 52 and 52-a,  
13 Article III, and Section 59, Article XVI, Texas Constitution, and  
14 other powers granted under this chapter.

15 (c) The creation of the district is in the public interest  
16 and is essential to:

17 (1) further the public purposes of development and  
18 diversification of the economy of the state;

19 (2) eliminate unemployment and underemployment; and

20 (3) develop or expand transportation and commerce.

21 (d) The present and prospective traffic congestion in the  
22 district and the safety of pedestrians and the limited availability  
23 of funds require the promotion and development of public  
24 transportation and pedestrian facilities and systems, and the  
25 district will serve the public purpose of securing expanded and  
26 improved transportation and pedestrian facilities and systems.

27 (e) The district will:

1           (1) promote the health, safety, and general welfare of  
2 residents, employers, employees, visitors, and consumers in the  
3 district, and of the public;

4           (2) provide needed funding to preserve, maintain, and  
5 enhance the economic health and vitality of the district as a  
6 community; and

7           (3) promote the health, safety, welfare, and enjoyment  
8 of the public by providing pedestrian ways and by landscaping and  
9 developing certain areas in the district, which are necessary for  
10 the restoration, preservation, and enhancement of scenic beauty.

11           (f) Pedestrian ways along or across a street, whether at  
12 grade or above or below the surface, and street lighting, street  
13 landscaping, and street art objects are parts of and necessary  
14 components of a street and are considered to be a street or road  
15 improvement.

16           (g) The district will not act as the agent or  
17 instrumentality of any private interest even though the district  
18 will benefit many private interests, as well as the public. (Acts  
19 78th Leg., R.S., Ch. 1297, Sec. 6.)

20           Sec. 3826.005. DISTRICT TERRITORY. (a) The district is  
21 composed of the territory described by Section 4, Chapter 1297,  
22 Acts of the 78th Legislature, Regular Session, 2003, as that  
23 territory may have been modified under:

24                 (1) Subchapter J, Chapter 49, Water Code; or

25                 (2) other law.

26           (b) The boundaries and field notes of the district contained  
27 in Section 4, Chapter 1297, Acts of the 78th Legislature, Regular

1 Session, 2003, form a closure. A mistake made in the field notes or  
2 in copying the field notes in the legislative process does not in  
3 any way affect the district's:

4 (1) organization, existence, or validity;

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

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

9 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
10 1297, Sec. 5; New.)

11 Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
12 chapter shall be construed liberally in conformity with the  
13 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
14 R.S., Ch. 1297, Sec. 8(a).)

15 [Sections 3826.007-3826.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 3826.051. COMPOSITION; TERMS. The district is  
18 governed by a board of five elected directors. Directors serve  
19 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1297,  
20 Sec. 9(a).)

21 Sec. 3826.052. QUALIFICATIONS. (a) A person must meet the  
22 qualifications of Section 375.063, Local Government Code, to serve  
23 as a district director.

24 (b) Section 49.052, Water Code, does not apply to district  
25 directors. (Acts 78th Leg., R.S., Ch. 1297, Sec. 10.)

26 Sec. 3826.053. ELECTION DATE. Elections for directors  
27 shall be held on the uniform election date in May in even-numbered

1 years. (Acts 78th Leg., R.S., Ch. 1297, Sec. 9(b).)

2 Sec. 3826.054. INITIAL DIRECTORS. (a) The initial board  
3 consists of the following persons:

- 4 Mike Magness
- 5 Andi Artze
- 6 Brian Crum
- 7 Ashlyn Tankersley
- 8 Adam Kramer

9 (b) Of the initial directors, the terms of the first three  
10 directors named in Subsection (a) expire on June 1, 2006; and the  
11 terms of the last two directors named in Subsection (a) expire on  
12 June 1, 2004.

13 (c) On the uniform election date in May 2004, the board  
14 shall hold an election for the directors whose terms expire on June  
15 1, 2004. On the uniform election date in May 2006, the board shall  
16 hold an election for the directors whose terms expire on June 1,  
17 2006.

18 (d) This section expires September 1, 2006. (Acts 78th  
19 Leg., R.S., Ch. 1297, Sec. 19.)

20 [Sections 3826.055-3826.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 3826.101. POWERS OF DISTRICT. The district has all  
23 powers provided by the general laws on road districts and road  
24 utility districts created under Section 52, Article III, Texas  
25 Constitution, and conservation and reclamation districts and  
26 municipal management districts created under Section 59, Article  
27 XVI, Texas Constitution, including:

- 1 (1) Chapters 257 and 441, Transportation Code;
- 2 (2) Chapter 375, Local Government Code; and
- 3 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,
- 4 R.S., Ch. 1297, Sec. 11.)

5 Sec. 3826.102. AGREEMENTS; GRANTS. (a) The district may  
6 make an agreement with or accept a gift, grant, or loan from any  
7 person.

8 (b) The implementation of a project is a governmental  
9 function or service for the purposes of Chapter 791, Government  
10 Code. (Acts 78th Leg., R.S., Ch. 1297, Sec. 12.)

11 Sec. 3826.103. LAW ENFORCEMENT SERVICES. To protect the  
12 public interest, the district may contract with a municipality or  
13 county to provide law enforcement services in the district for a  
14 fee. (Acts 78th Leg., R.S., Ch. 1297, Sec. 13.)

15 [Sections 3826.104-3826.150 reserved for expansion]

16 SUBCHAPTER D. FINANCIAL PROVISIONS

17 Sec. 3826.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
18 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
19 tax, assessment, or impact fee and use the proceeds of the tax,  
20 assessment, or impact fee for:

21 (1) any district purpose, including the payment of  
22 debt or other contractual obligations; or

23 (2) the payment of maintenance and operating expenses.  
24 (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

25 Sec. 3826.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
26 district must hold an election in the manner provided by Chapters 49  
27 and 54, Water Code, to obtain voter approval before the district

1 imposes a maintenance tax or issues bonds payable from ad valorem  
2 taxes.

3 (b) The board may include more than one purpose in a single  
4 proposition at an election. (Acts 78th Leg., R.S., Ch. 1297, Sec.  
5 15.)

6 Sec. 3826.153. MAINTENANCE AND OPERATION TAX. (a) The  
7 district may impose an annual ad valorem tax on taxable property in  
8 the district for any district purpose, including to:

9 (1) maintain and operate the district and the  
10 improvements constructed or acquired by the district; or

11 (2) provide a service.

12 (b) The board shall determine the tax rate. (Acts 78th  
13 Leg., R.S., Ch. 1297, Sec. 16.)

14 Sec. 3826.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
15 The board by resolution may impose an assessment for any purpose  
16 authorized by this chapter.

17 (b) An assessment, a reassessment, or an assessment  
18 resulting from an addition to or correction of the assessment roll  
19 by the district, penalties and interest on an assessment or  
20 reassessment, an expense of collection, and reasonable attorney's  
21 fees incurred by the district:

22 (1) are a first and prior lien against the property  
23 assessed;

24 (2) are superior to any other lien or claim other than  
25 a lien or claim for county, school district, or municipal ad valorem  
26 taxes; and

27 (3) are the personal liability of and a charge against



1 the owners of the property even if the owners are not named in the  
2 assessment proceeding.

3 (c) The lien is effective from the date of the board's  
4 resolution imposing the assessment until the date the assessment is  
5 paid. The board may enforce the lien in the same manner that the  
6 board may enforce an ad valorem tax lien against real property.  
7 (Acts 78th Leg., R.S., Ch. 1297, Secs. 17(a), (c), (d).)

8 Sec. 3826.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
9 IMPROVEMENTS. (a) The board may not finance a service or  
10 improvement project through an assessment under this chapter unless  
11 a written petition requesting that service or improvement has been  
12 filed with the board.

13 (b) The petition must be signed by:

14 (1) the owners of a majority of the assessed value of  
15 real property in the district that will be subject to the assessment  
16 according to the most recent certified tax appraisal roll for the  
17 county in which the property is located; or

18 (2) at least 25 owners of land in the district that  
19 will be subject to the assessment, if more than 25 persons own land  
20 in the district that will be subject to the assessment according to  
21 the most recent certified tax appraisal roll for the county in which  
22 the property is located. (Acts 78th Leg., R.S., Ch. 1297, Sec.  
23 17(b).)

24 Sec. 3826.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
25 ASSESSMENTS. The district may not impose an impact fee or  
26 assessment on the property, including the equipment,  
27 rights-of-way, facilities, or improvements, of:

1 (1) an electric utility or a power generation company  
2 as defined by Section 31.002, Utilities Code;

3 (2) a gas utility as defined by Section 101.003 or  
4 121.001, Utilities Code;

5 (3) a telecommunications provider as defined by  
6 Section 51.002, Utilities Code; or

7 (4) a cable operator as defined by 47 U.S.C. Section  
8 522, as amended. (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

9 Sec. 3826.157. BONDS AND OTHER OBLIGATIONS. (a) The  
10 district may issue bonds or other obligations payable wholly or  
11 partly from ad valorem taxes, assessments, impact fees, revenue,  
12 grants, or other money of the district, or any combination of those  
13 sources of money, to pay for any authorized purpose of the district.

14 (b) In exercising the district's power to borrow, the  
15 district may issue a bond or other obligation in the form of a bond,  
16 note, certificate of participation or other instrument evidencing a  
17 proportionate interest in payments to be made by the district, or  
18 other type of obligation. (Acts 78th Leg., R.S., Ch. 1297, Sec.  
19 18.)

20 CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 3827.001. DEFINITIONS

23 Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

24 Sec. 3827.003. PURPOSE; DECLARATION OF INTENT

25 Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

26 Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT

27 Sec. 3827.006. DISTRICT TERRITORY

- 1 Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER  
2 [Sections 3827.008-3827.050 reserved for expansion]  
3 SUBCHAPTER B. BOARD OF DIRECTORS  
4 Sec. 3827.051. COMPOSITION; TERMS  
5 Sec. 3827.052. APPOINTMENT OF DIRECTORS  
6 Sec. 3827.053. VACANCIES  
7 Sec. 3827.054. INITIAL DIRECTORS  
8 [Sections 3827.055-3827.100 reserved for expansion]  
9 SUBCHAPTER C. POWERS AND DUTIES  
10 Sec. 3827.101. POWERS OF DISTRICT  
11 Sec. 3827.102. AGREEMENTS; GRANTS  
12 Sec. 3827.103. LAW ENFORCEMENT SERVICES  
13 Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS  
14 [Sections 3827.105-3827.150 reserved for expansion]  
15 SUBCHAPTER D. FINANCIAL PROVISIONS  
16 Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
17 ASSESSMENTS, AND IMPACT FEES  
18 Sec. 3827.152. TAX AND BOND ELECTIONS  
19 Sec. 3827.153. MAINTENANCE AND OPERATION TAX  
20 Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS  
21 Sec. 3827.155. PETITION REQUIRED FOR FINANCING  
22 SERVICES AND IMPROVEMENTS  
23 Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT  
24 FEES AND ASSESSMENTS  
25 Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE;  
26 POWERS; ELIGIBILITY  
27 Sec. 3827.158. BONDS AND OTHER OBLIGATIONS

1 CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 3827.001. DEFINITIONS. In this chapter:

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

6 (2) "District" means Katy Towne Centre Development  
7 District. (Acts 78th Leg., R.S., Ch. 765, Sec. 3.)

8 Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT.  
9 Katy Towne Centre Development District is a special district  
10 created under Section 52, Article III, Section 1-g, Article VIII,  
11 and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
12 R.S., Ch. 765, Sec. 1(a).)

13 Sec. 3827.003. PURPOSE; DECLARATION OF INTENT. (a) The  
14 creation of the district is essential to accomplish the purposes of  
15 Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and  
16 Section 59, Article XVI, Texas Constitution, and other public  
17 purposes stated in this chapter.

18 (b) The creation of the district is necessary to promote,  
19 develop, encourage, and maintain employment, commerce,  
20 transportation, housing, tourism, recreation, the arts,  
21 entertainment, economic development, safety, and the public  
22 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
23 765, Sec. 2.)

24 Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
25 The district is created to serve a public use and benefit.

26 (b) All land and other property included in the district  
27 will benefit from the improvements and services to be provided by

1 the district under powers conferred by Sections 52 and 52-a,  
2 Article III, and Section 59, Article XVI, Texas Constitution, and  
3 other powers granted under this chapter.

4 (c) The creation of the district is in the public interest  
5 and is essential to:

6 (1) further the public purposes of development and  
7 diversification of the economy of the state;

8 (2) eliminate unemployment and underemployment; and

9 (3) develop or expand transportation and commerce.

10 (d) The district will:

11 (1) promote the health, safety, and general welfare of  
12 residents, employers, employees, visitors, and consumers in the  
13 district, and of the public;

14 (2) provide needed funding to preserve, maintain, and  
15 enhance the economic health and vitality of the district as a  
16 community; and

17 (3) promote the health, safety, welfare, and enjoyment  
18 of the public by providing pedestrian ways and by landscaping and  
19 developing certain areas in the district, which are necessary for  
20 the restoration, preservation, and enhancement of scenic beauty.

21 (e) Pedestrian ways along or across a street, whether at  
22 grade or above or below the surface, and street lighting, street  
23 landscaping, and street art objects are parts of and necessary  
24 components of a street and are considered to be a street or road  
25 improvement.

26 (f) The district will not act as the agent or  
27 instrumentality of any private interest even though the district

1 will benefit many private interests, as well as the public. (Acts  
2 78th Leg., R.S., Ch. 765, Sec. 6.)

3 Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT. The  
4 legislature finds that development or redevelopment in the area in  
5 the district would not occur solely through private investment in  
6 the reasonably foreseeable future and that the area in the  
7 district:

8 (1) is unproductive, underdeveloped, or blighted;  
9 (2) substantially arrests and impairs the sound growth  
10 of the city of Katy because of:

11 (A) obsolete platting;  
12 (B) deterioration of structures or site  
13 improvements; or

14 (C) other factors;  
15 (3) retards the provision of housing accommodations;  
16 (4) is an economic and social liability;  
17 (5) is a menace to the public health, safety, morals,  
18 and welfare in its present condition and use; and

19 (6) is predominantly open. (Acts 78th Leg., R.S., Ch.  
20 765, Sec. 7.)

21 Sec. 3827.006. DISTRICT TERRITORY. (a) The district is  
22 composed of the territory described by Section 4, Chapter 765, Acts  
23 of the 78th Legislature, Regular Session, 2003, as that territory  
24 may have been modified under:

25 (1) Subchapter J, Chapter 49, Water Code; or  
26 (2) other law.

27 (b) The boundaries and field notes of the district contained

1 in Section 4, Chapter 765, Acts of the 78th Legislature, Regular  
2 Session, 2003, form a closure. A mistake made in the field notes or  
3 in copying the field notes in the legislative process does not in  
4 any way affect the district's:

5 (1) organization, existence, or validity;

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

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

10 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
11 765, Sec. 5; New.)

12 Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
13 chapter shall be construed liberally in conformity with the  
14 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
15 R.S., Ch. 765, Sec. 10(a).)

16 [Sections 3827.008-3827.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 3827.051. COMPOSITION; TERMS. The district is  
19 governed by a board of five directors. Directors serve staggered  
20 terms of four years. (Acts 78th Leg., R.S., Ch. 765, Sec. 11.)

21 Sec. 3827.052. APPOINTMENT OF DIRECTORS. (a) The  
22 governing body of the City of Katy shall appoint directors to the  
23 board.

24 (b) Section 375.063, Local Government Code, and Section  
25 49.052, Water Code, do not apply to district directors. (Acts 78th  
26 Leg., R.S., Ch. 765, Sec. 12.)

27 Sec. 3827.053. VACANCIES. A vacancy on the board shall be

1 filled by the remaining directors. (Acts 78th Leg., R.S., Ch. 765,  
2 Sec. 13.)

3 Sec. 3827.054. INITIAL DIRECTORS. (a) The initial board  
4 consists of the following persons:

5 Name of Director

6 Ricky Burch

7 Ed Weisner

8 George Parker

9 Bruce Skates

10 Malcolm Beckendorff

11 (b) Of the initial directors, the terms of the first three  
12 directors named in Subsection (a) expire on June 1, 2006, and the  
13 terms of the last two directors named in Subsection (a) expire on  
14 June 1, 2004.

15 (c) This section expires September 1, 2006. (Acts 78th  
16 Leg., R.S., Ch. 765, Sec. 25.)

17 [Sections 3827.055-3827.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Sec. 3827.101. POWERS OF DISTRICT. The district has all  
20 powers provided by the general laws on road districts and road  
21 utility districts created under Section 52, Article III, Texas  
22 Constitution, and conservation and reclamation districts and  
23 municipal management districts created under Section 59, Article  
24 XVI, Texas Constitution, including:

25 (1) Chapters 257 and 441, Transportation Code;

26 (2) Chapter 375, Local Government Code; and

27 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,



1 R.S., Ch. 765, Sec. 14.)

2 Sec. 3827.102. AGREEMENTS; GRANTS. (a) The district may  
3 make an agreement with or accept a gift, grant, or loan from any  
4 person.

5 (b) The implementation of a project is a governmental  
6 function or service for the purposes of Chapter 791, Government  
7 Code. (Acts 78th Leg., R.S., Ch. 765, Sec. 15.)

8 Sec. 3827.103. LAW ENFORCEMENT SERVICES. To protect the  
9 public interest, the district may contract with a municipality or  
10 county to provide law enforcement services in the district for a  
11 fee. (Acts 78th Leg., R.S., Ch. 765, Sec. 16.)

12 Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS. Section  
13 375.093(c), Local Government Code, applies to the district. (Acts  
14 78th Leg., R.S., Ch. 765, Sec. 22.)

15 [Sections 3827.105-3827.150 reserved for expansion]

16 SUBCHAPTER D. FINANCIAL PROVISIONS

17 Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
18 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
19 tax, assessment, or impact fee and use the proceeds of the tax,  
20 assessment, or impact fee for:

21 (1) any district purpose, including the payment of  
22 debt or other contractual obligations; or

23 (2) the payment of maintenance and operating expenses.  
24 (Acts 78th Leg., R.S., Ch. 765, Sec. 17.)

25 Sec. 3827.152. TAX AND BOND ELECTIONS. (a) The district  
26 must hold an election in the manner provided by Chapters 49 and 54,  
27 Water Code, to obtain voter approval before the district imposes a

1 maintenance tax or issues bonds payable from ad valorem taxes.

2 (b) The board may not include more than one purpose in a  
3 single proposition at an election. (Acts 78th Leg., R.S., Ch. 765,  
4 Sec. 18.)

5 Sec. 3827.153. MAINTENANCE AND OPERATION TAX. (a) The  
6 district may impose an annual ad valorem tax on taxable property in  
7 the district for any district purpose, including to:

8 (1) maintain and operate the district, including  
9 improvements constructed or acquired by the district; or

10 (2) provide a service.

11 (b) The board shall determine the tax rate. (Acts 78th  
12 Leg., R.S., Ch. 765, Sec. 19.)

13 Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
14 The board by resolution may impose an assessment for any purpose  
15 authorized by this chapter.

16 (b) An assessment, a reassessment, or an assessment  
17 resulting from an addition to or correction of the assessment roll  
18 by the district, penalties and interest on an assessment or  
19 reassessment, an expense of collection, and reasonable attorney's  
20 fees incurred by the district:

21 (1) are a first and prior lien against the property  
22 assessed;

23 (2) are superior to any other lien or claim other than  
24 a lien or claim for county, school district, or municipal ad valorem  
25 taxes; and

26 (3) are the personal liability of and a charge against  
27 the owners of the property even if the owners are not named in the

1 assessment proceeding.

2 (c) The lien is effective from the date of the board's  
3 resolution imposing the assessment until the date the assessment is  
4 paid. The board may enforce the lien in the same manner that the  
5 board may enforce an ad valorem tax lien against real property.  
6 (Acts 78th Leg., R.S., Ch. 765, Secs. 20(a), (c), (d).)

7 Sec. 3827.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
8 IMPROVEMENTS. (a) The board may not finance a service or  
9 improvement project through an assessment under this chapter unless  
10 a written petition requesting that service or improvement has been  
11 filed with the board.

12 (b) The petition must be signed by:

13 (1) the owners of a majority of the assessed value of  
14 real property in the district that will be subject to the assessment  
15 according to the most recent certified tax appraisal roll for the  
16 county in which the property is located; or

17 (2) at least 25 owners of real property in the district  
18 that will be subject to the assessment, if more than 25 persons own  
19 real property in the district that will be subject to the assessment  
20 according to the most recent certified tax appraisal roll for the  
21 county in which the property is located. (Acts 78th Leg., R.S., Ch.  
22 765, Sec. 20(b).)

23 Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
24 ASSESSMENTS. The district may not impose an impact fee or  
25 assessment on the property, including the equipment,  
26 rights-of-way, facilities, or improvements, of:

27 (1) an electric utility or a power generation company

1 as defined by Section 31.002, Utilities Code;

2 (2) a gas utility as defined by Section 101.003 or  
3 121.001, Utilities Code;

4 (3) a telecommunications provider as defined by  
5 Section 51.002, Utilities Code; or

6 (4) a person who provides to the public cable  
7 television or advanced telecommunications services. (Acts 78th  
8 Leg., R.S., Ch. 765, Sec. 21.)

9 Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE; POWERS;  
10 ELIGIBILITY. (a) Without further authorization or procedural  
11 requirement, the district is a tax increment reinvestment zone  
12 under Chapter 311, Tax Code.

13 (b) The district has all powers provided under Chapter 311,  
14 Tax Code.

15 (c) The district and an overlapping taxing unit may enter  
16 into an interlocal agreement for the payment of all or a portion of  
17 the tax increment of the unit to the district.

18 (d) The base year value of the district, for tax increment  
19 financing purposes, is the value as of January 1, 2003, of all  
20 taxable real property in the district as shown on the certified tax  
21 rolls of the central appraisal district.

22 (e) All or any part of the area of the district is eligible  
23 to be included in a tax increment reinvestment zone created by the  
24 City of Katy under Chapter 311, Tax Code. (Acts 78th Leg., R.S.,  
25 Ch. 765, Secs. 8, 23.)

26 Sec. 3827.158. BONDS AND OTHER OBLIGATIONS. (a) The  
27 district may issue bonds or other obligations payable wholly or

1 partly from ad valorem taxes, assessments, impact fees, revenue,  
2 grants, or other money of the district, or any combination of those  
3 sources of money, to pay for any authorized purpose of the district.

4 (b) In exercising the district's power to borrow, the  
5 district may issue a bond or other obligation in the form of a bond,  
6 note, certificate of participation or other instrument evidencing a  
7 proportionate interest in payments to be made by the district, or  
8 other type of obligation. (Acts 78th Leg., R.S., Ch. 765, Sec. 24.)

9 CHAPTER 3828. LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT

10 IN HENDERSON COUNTY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 3828.001. DEFINITIONS

13 Sec. 3828.002. CREATION AND NATURE OF DISTRICT

14 Sec. 3828.003. PURPOSE; LEGISLATIVE FINDINGS

15 Sec. 3828.004. DISTRICT TERRITORY

16 Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER

17 [Sections 3828.006-3828.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 3828.051. COMPOSITION; TERMS

20 Sec. 3828.052. ELIGIBILITY

21 Sec. 3828.053. VACANCY

22 Sec. 3828.054. DIRECTOR'S BOND; OATH OR AFFIRMATION

23 Sec. 3828.055. OFFICERS

24 Sec. 3828.056. COMPENSATION

25 Sec. 3828.057. INITIAL DIRECTORS

26 Sec. 3828.058. DISTRICT CONFIRMATION ELECTION

27 [Sections 3828.059-3828.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 3828.101. GENERAL POWERS AND DUTIES

3 Sec. 3828.102. IMPROVEMENT PROJECTS

4 Sec. 3828.103. GENERAL POWERS REGARDING CONTRACTS

5 Sec. 3828.104. RULES

6 Sec. 3828.105. ADDITION OR REMOVAL OF TERRITORY

7 Sec. 3828.106. EMINENT DOMAIN

8 Sec. 3828.107. NONPROFIT CORPORATION

9 Sec. 3828.108. ECONOMIC DEVELOPMENT

10 Sec. 3828.109. TERMS OF EMPLOYMENT; COMPENSATION

11 Sec. 3828.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC

12 AREA OF THE DISTRICT

13 Sec. 3828.111. ZONING BY COUNTY

14 [Sections 3828.112-3828.150 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 3828.151. GENERAL POWERS REGARDING FINANCIAL

17 MATTERS

18 Sec. 3828.152. IMPACT FEES AND ASSESSMENTS; EXEMPTION

19 Sec. 3828.153. MAINTENANCE AND OPERATION TAX; ELECTION

20 Sec. 3828.154. USE OF SURPLUS MAINTENANCE AND

21 OPERATION MONEY

22 Sec. 3828.155. BONDS AND OTHER OBLIGATIONS

23 Sec. 3828.156. TAXES FOR BONDS AND OTHER OBLIGATIONS

24 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE

25 PROVISIONS

26 Sec. 3828.158. HOTEL OCCUPANCY TAX

27 Sec. 3828.159. USE OF HOTEL OCCUPANCY TAX

[Sections 3828.160-3828.200 reserved for expansion]

SUBCHAPTER E. SALES AND USE TAX

Sec. 3828.201. MEANINGS OF WORDS AND PHRASES

Sec. 3828.202. APPLICABILITY OF CERTAIN TAX CODE

PROVISIONS

Sec. 3828.203. AUTHORIZATION; ELECTION

Sec. 3828.204. EFFECTIVE DATE OF TAX

Sec. 3828.205. SALES AND USE TAX RATE

Sec. 3828.206. EFFECT OF ANNEXATION OR EXCLUSION OF

TERRITORY

Sec. 3828.207. EXAMINATION AND RECEIPT OF INFORMATION

[Sections 3828.208-3828.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION OF DISTRICT

Sec. 3828.251. DISSOLUTION

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. (Acts 78th Leg., R.S., Ch. 1292, Sec. 2.)

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

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

6           (c) The district is a governmental unit for the purposes of  
7 Chapter 101, Civil Practice and Remedies Code, and operations of  
8 the district are considered to be essential governmental functions  
9 and not proprietary functions for all purposes, including the  
10 application of that chapter. (Acts 78th Leg., R.S., Ch. 1292, Sec.  
11 1.)

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

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

22           (c) The creation of the district:

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

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

27                         (A) economic development and diversification of



1 the state;

2 (B) elimination of unemployment and  
3 underemployment; and

4 (C) stimulation and development of  
5 transportation and commerce;

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

9 (4) is in the public interest.

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

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

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

19 (2) providing public services and facilities in and  
20 adjacent to the district that are necessary for the restoration,  
21 preservation, enhancement, and enjoyment of scenic beauty. (Acts  
22 78th Leg., R.S., Ch. 1292, Sec. 5.)

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

27 (1) Section 3828.105 or its predecessor statute,

1 former Section 18, Chapter 1292, Acts of the 78th Legislature,  
2 Regular Session, 2003; or

3 (2) other law.

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

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

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

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

14 (4) the operation of the board or the district. (Acts  
15 78th Leg., R.S., Ch. 1292, Sec. 4; New.)

16 Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER. This  
17 chapter shall be construed liberally in conformity with the  
18 findings and purposes stated in this chapter. (Acts 78th Leg.,  
19 R.S., Ch. 1292, Sec. 6(a).)

20 [Sections 3828.006-3828.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

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

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

1 (c) The board shall hold the first election under this  
2 section in 2010. This subsection expires September 1, 2012. (Acts  
3 78th Leg., R.S., Ch. 1292, Secs. 8(a) (part), (d) (part).)

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

6 (1) reside in the district;

7 (2) own real property in the district;

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

11 (4) be an agent, employee, officer, or director of a  
12 corporation, limited liability company, or partnership that owns  
13 real property in the district. (Acts 78th Leg., R.S., Ch. 1292,  
14 Sec. 8(e) (part).)

15 Sec. 3828.053. VACANCY. The remaining directors shall fill  
16 a vacancy on the board by appointing a person who meets the  
17 qualifications prescribed by Section 3828.052. (Acts 78th Leg.,  
18 R.S., Ch. 1292, Sec. 9.)

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

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

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

1 (d) The district shall pay the cost of the bond. (Acts 78th  
2 Leg., R.S., Ch. 1292, Secs. 10(a), (c), (d).)

3 Sec. 3828.055. OFFICERS. The board shall elect from among  
4 the directors a presiding officer, a vice presiding officer, and a  
5 secretary. (Acts 78th Leg., R.S., Ch. 1292, Sec. 11.)

6 Sec. 3828.056. COMPENSATION. A director is not entitled to  
7 compensation for service on the board but is entitled to  
8 reimbursement for necessary and reasonable expenses incurred in  
9 carrying out the duties and responsibilities of a director. (Acts  
10 78th Leg., R.S., Ch. 1292, Sec. 12.)

11 Sec. 3828.057. INITIAL DIRECTORS. (a) The following  
12 directors serve until March 1, 2008:

- 13 (1) Position One: Murray Holland
- 14 (2) Position Two: Scott Griffith
- 15 (3) Position Three: Thomas Corcoran
- 16 (4) Position Four: David Jaderlund
- 17 (5) Position Five: Robert Whitman

18 (b) The board shall hold an election to elect all directors  
19 on the uniform election day in February 2008. Persons elected to  
20 Positions One and Two serve terms expiring March 1, 2010. Persons  
21 elected to Positions Three, Four and Five serve terms expiring  
22 March 1, 2012.

23 (c) The board shall hold an election in 2010 and 2012 in  
24 accordance with Section 3828.051(b) to elect directors to fill the  
25 positions the terms of which expire on March 1 of those years.

26 (d) Sections 3828.051(a) and 3828.052 do not apply to  
27 initial directors.

1 (e) This section expires September 1, 2012. (Acts 78th  
2 Leg., R.S., Ch. 1292, Secs. 8(a) (part), (b), (c), (d), (e) (part).)

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

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

16 (c) Before the district is confirmed at an election, the  
17 district may carry on business as the board may determine except  
18 that the district may not borrow money or impose or assess a tax or  
19 an assessment. (Acts 78th Leg., R.S., Ch. 1292, Sec. 14.)

20 [Sections 3828.059-3828.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

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

24 (1) the general laws relating to conservation and  
25 reclamation districts created under Section 59, Article XVI, Texas  
26 Constitution, including Chapters 49 and 54, Water Code, except that  
27 the district's bonds and other securities are not subject to the

1 jurisdiction or supervision of the commission under Chapter 49,  
2 Water Code, or other law;

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

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

8 (4) Chapter 375, Local Government Code; and

9 (5) Section 4B, Development Corporation Act of 1979  
10 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 78th Leg.,  
11 R.S., Ch. 1292, Sec. 7(a).)

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

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

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

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

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

6                   (A) landscaping;

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

9                   (C) lighting, banners, and signs;

10                   (D) a street or sidewalk;

11                   (E) a hiking and cycling path or trail;

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

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

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

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

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

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

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

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

- 1           (7) the planning and acquisition of:
  - 2                   (A) public art and sculpture and related exhibits
  - 3 and facilities; or
  - 4                   (B) an educational and cultural exhibit or
  - 5 facility;
- 6           (8) the planning, design, construction, acquisition,
- 7 lease, rental, improvement, maintenance, installation, and
- 8 management of and provision of furnishings for a facility for:
  - 9                   (A) a conference, convention, or exhibition;
  - 10                   (B) a manufacturer, consumer, or trade show;
  - 11                   (C) a civic, community, or institutional event;
  - 12 or
  - 13                   (D) an exhibit, display, attraction, special
  - 14 event, or seasonal or cultural celebration or holiday;
- 15           (9) the removal, razing, demolition, or clearing of
- 16 land or improvements in connection with an improvement project;
- 17           (10) the acquisition and improvement of land or other
- 18 property for the mitigation of the environmental effects of an
- 19 improvement project;
- 20           (11) the acquisition of property or an interest in
- 21 property in connection with an authorized improvement project;
- 22           (12) a special or supplemental service for the
- 23 improvement and promotion of the district or an area adjacent to the
- 24 district or for the protection of public health and safety in or
- 25 adjacent to the district, including:
  - 26                   (A) advertising;
  - 27                   (B) promotion;



- 1 (C) tourism;
- 2 (D) health and sanitation;
- 3 (E) public safety;
- 4 (F) security;
- 5 (G) fire protection or emergency medical
- 6 services;
- 7 (H) business recruitment;
- 8 (I) development;
- 9 (J) elimination of traffic congestion; and
- 10 (K) recreational, educational, or cultural
- 11 improvements, enhancements, and services; or

12 (13) any similar public improvement, facility, or

13 service. (Acts 78th Leg., R.S., Ch. 1292, Sec. 15.)

14 Sec. 3828.103. GENERAL POWERS REGARDING CONTRACTS. (a)

15 The district may:

16 (1) enter into a contract with any person to

17 accomplish any district purpose, including a contract for:

18 (A) the payment, repayment, or reimbursement of

19 costs incurred by that person on behalf of the district, including

20 all or part of the costs of an improvement project and interest on

21 the reimbursed cost; or

22 (B) the use, occupancy, lease, rental,

23 operation, maintenance, or management of all or part of a proposed

24 or existing improvement project; and

25 (2) apply for and contract with any person to receive,

26 administer, and perform a duty or obligation of the district under a

27 federal, state, local, or private gift, grant, loan, conveyance,

1 transfer, bequest, or other financial assistance arrangement  
2 relating to the investigation, planning, analysis, study, design,  
3 acquisition, construction, improvement, completion,  
4 implementation, or operation by the district or others of a  
5 proposed or existing improvement project.

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

9 (c) Any person may contract with the district to carry out  
10 the purposes of this chapter without further statutory or other  
11 authorization. (Acts 78th Leg., R.S., Ch. 1292, Secs. 16(a)  
12 (part), (b), (c).)

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

- 14 (1) to administer or operate the district;  
15 (2) for the use, enjoyment, availability, protection,  
16 security, and maintenance of the district's properties and  
17 facilities; or  
18 (3) to provide for public safety and security in the  
19 district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 17.)

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

- 24 (1) for purposes of this section, a reference in  
25 Subchapter J, Chapter 49, Water Code, or Section 54.016, Water  
26 Code, to a tax means an ad valorem tax;  
27 (2) Section 54.016, Water Code, and Section 42.042,

1 Local Government Code, do not apply to the district's annexation of  
2 land restricted primarily to commercial or business use;

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

5 (4) land may not be removed or disannexed from the  
6 district at any time during which any bonds or other obligations of  
7 the district that are payable, wholly or partly, from ad valorem  
8 taxes are outstanding. (Acts 78th Leg., R.S., Ch. 1292, Sec. 18.)

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

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

15 (c) The district's power of eminent domain must be exercised  
16 in the manner provided by Chapter 21, Property Code. (Acts 78th  
17 Leg., R.S., Ch. 1292, Sec. 19.)

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

23 (b) The nonprofit corporation:

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

27 (2) may implement any improvement project and provide

1 any service authorized by this chapter and approved by the board.

2 (c) The board shall appoint the board of directors of the  
3 nonprofit corporation. The board of directors of the nonprofit  
4 corporation shall serve in the same manner, for the same term, and  
5 on the same conditions as a board of directors of a local government  
6 corporation created under Subchapter D, Chapter 431,  
7 Transportation Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 20.)

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

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

13 (2) Chapter 1509, Government Code, provides to any  
14 municipality. (Acts 78th Leg., R.S., Ch. 1292, Sec. 21.)

15 Sec. 3828.109. TERMS OF EMPLOYMENT; COMPENSATION. The  
16 board may employ and establish the terms of employment and  
17 compensation of an executive director or general manager and any  
18 other district employees the board considers necessary. (Acts 78th  
19 Leg., R.S., Ch. 1292, Sec. 22.)

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

1 spaces, parks, sidewalks, and similar public areas or facilities.

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

8 (c) The board may require a permit or franchise agreement  
9 with a vendor, concessionaire, exhibitor, or similar private or  
10 commercial person or organization for the limited use of the area or  
11 facility on terms and on payment of a permit or franchise fee the  
12 board may impose. (Acts 78th Leg., R.S., Ch. 1292, Sec. 23.)

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

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

22 (c) This section does not apply to land or facilities owned  
23 by the Tarrant Regional Water District. (Acts 78th Leg., R.S., Ch.  
24 1292, Sec. 24.)

25 [Sections 3828.112-3828.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 3828.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.

1 The district may:

2 (1) impose an ad valorem tax in accordance with  
3 Chapter 375, Local Government Code, on all taxable property in the  
4 district;

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

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

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

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

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

22 (7) provide or secure the payment or repayment of the  
23 costs and expenses of the establishment, administration, and  
24 operation of the district and the district's costs or share of the  
25 costs of an improvement project or district contractual obligation  
26 or indebtedness by or through a lease, installment purchase  
27 contract, or other agreement with any person, or the imposition of

1 taxes, user fees, concessions, rentals, or other revenues or  
2 resources of the district;

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

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

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

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

19 (10) enter into a tax abatement agreement in  
20 accordance with the general laws of this state authorizing and  
21 applicable to tax abatement agreements by municipalities. (Acts  
22 78th Leg., R.S., Ch. 1292, Sec. 16(a) (part).)

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

1 district, according to the benefit received by the property.

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

- 4 (1) public water and wastewater facilities;
- 5 (2) drainage and storm-water facilities; and
- 6 (3) streets and alleys.

7 (c) The district may not impose an impact fee or assessment  
8 on the property, including equipment and facilities, of a public  
9 utility provider or a cable operator as defined by 47 U.S.C. Section  
10 522, as amended. (Acts 78th Leg., R.S., Ch. 1292, Sec. 25.)

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

- 14 (1) planning, constructing, acquiring, maintaining,  
15 repairing, and operating all necessary land, plants, works,  
16 facilities, improvements, appliances, and equipment of the  
17 district; and
- 18 (2) paying costs of services, engineering and legal  
19 fees, and organization and administrative expenses.

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

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



1 of any other election order.

2 (d) The proposition in a maintenance and operation tax  
3 election may be for a specific maximum rate or for an unlimited  
4 rate. (Acts 78th Leg., R.S., Ch. 1292, Secs. 26(a)-(d).)

5 Sec. 3828.154. USE OF SURPLUS MAINTENANCE AND OPERATION  
6 MONEY. If the district has surplus maintenance and operation tax  
7 money that is not needed for the purposes for which it was  
8 collected, the money may be used for any authorized purpose. (Acts  
9 78th Leg., R.S., Ch. 1292, Sec. 26(e).)

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

14 (b) In addition to the sources of money described by  
15 Subchapter J, Chapter 375, Local Government Code, the bonds of the  
16 district may be secured and made payable, wholly or partly, by a  
17 pledge of any part of the net proceeds the district receives from  
18 the sales and use tax and the hotel occupancy tax authorized by this  
19 chapter and from any other district revenues. (Acts 78th Leg.,  
20 R.S., Ch. 1292, Sec. 31.)

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

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

27 (2) the district annually shall impose an ad valorem

1 tax on all taxable property in the district in an amount sufficient  
2 to:

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

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

8 (C) pay the expenses of imposing the taxes.

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

13 (c) The district shall hold an election required by this  
14 section in the manner provided by Subchapter L, Chapter 375, Local  
15 Government Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 27.)

16 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE  
17 PROVISIONS. Sections 26.04, 26.05, and 26.07, Tax Code, do not  
18 apply to a tax imposed under Section 3828.153 or 3828.156. (Acts  
19 78th Leg., R.S., Ch. 1292, Sec. 26(f).)

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

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

26 (c) Except as inconsistent with this section, Subchapter A,  
27 Chapter 352, Tax Code, governs a hotel occupancy tax authorized by

1 this section, including the collection of the tax, subject to the  
2 limitations prescribed by Sections 352.002(b) and (c), Tax Code.

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

- 8 (1) is in a hotel located in the district's boundaries;
- 9 (2) costs \$2 or more each day; and
- 10 (3) is ordinarily used for sleeping.

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

13 (f) The district may examine and receive information  
14 related to the imposition of hotel occupancy taxes to the same  
15 extent as if the district were a municipality. (Acts 78th Leg.,  
16 R.S., Ch. 1292, Sec. 29.)

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

22 (b) During each interval of three calendar years following  
23 the date on which a hotel occupancy tax imposed under Section  
24 3828.158 is initially collected, the board may not apply an annual  
25 average of more than 10 percent of the amount of tax collected under  
26 that section, excluding any interest earnings or investment profits  
27 and after a deduction for the costs of imposing and collecting the

1 taxes, for the administrative expenses of the district or a  
2 district purpose other than:

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

- 9 (A) conferences, conventions, and exhibitions;  
10 (B) manufacturer, consumer, or trade shows; and  
11 (C) civic, community, or institutional events.

12 (c) For purposes of this section, a reference in Subchapter  
13 B, Chapter 352, Tax Code, to a county is a reference to the district  
14 and a reference in Subchapter B, Chapter 352, Tax Code, to the  
15 county's officers or governing body is a reference to the board.  
16 (Acts 78th Leg., R.S., Ch. 1292, Sec. 30.)

17 [Sections 3828.160-3828.200 reserved for expansion]

18 SUBCHAPTER E. SALES AND USE TAX

19 Sec. 3828.201. MEANINGS OF WORDS AND PHRASES. Words and  
20 phrases used in this subchapter that are defined by Chapters 151 and  
21 321, Tax Code, have the meanings assigned by Chapters 151 and 321,  
22 Tax Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(a).)

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

1 that those laws apply to state taxes.

2 (b) The provisions of Subchapters C, D, E, and F, Chapter  
3 323, Tax Code, relating to county sales and use taxes apply to the  
4 application, collection, and administration of a sales and use tax  
5 imposed under this subchapter to the extent consistent with this  
6 chapter, as if references in Chapter 323, Tax Code, to a county  
7 referred to the district and references to a commissioners court  
8 referred to the board.

9 (c) Sections 323.401-323.404 and 323.505, Tax Code, do not  
10 apply to a tax imposed under this subchapter. (Acts 78th Leg.,  
11 R.S., Ch. 1292, Secs. 28(b), (d).)

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

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

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

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

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

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

3           (3) "Repeal of the district sales and use tax within  
4 the district." (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(c), (g).)

5           Sec. 3828.204. EFFECTIVE DATE OF TAX. A tax imposed under  
6 this subchapter or the repeal or reduction of a tax under this  
7 subchapter takes effect on the first day of the calendar quarter  
8 that occurs after the date the comptroller receives the copy of the  
9 resolution as required by Section 323.405(b), Tax Code. (Acts 78th  
10 Leg., R.S., Ch. 1292, Secs. 28(e), (i).)

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

20           (b) The rate of the excise tax is the same as the rate of the  
21 sales tax portion of the tax and is applied to the sales price of the  
22 taxable item. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(f).)

23           Sec. 3828.206. EFFECT OF ANNEXATION OR EXCLUSION OF  
24 TERRITORY. (a) If all or part of the district territory is  
25 annexed by a municipality that has adopted and is imposing a sales  
26 and use tax, the sales and use tax imposed by the district in the  
27 annexed territory shall be reduced, if required, in even multiples

1 of one-eighth percent, and without the necessity of an election, so  
2 that the combined rate of all sales and use taxes imposed by  
3 Henderson County, the annexing municipality, and all other  
4 political subdivisions within the annexed territory of the district  
5 will not exceed two percent, except that:

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

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

11 (b) Not later than the 10th day after the date of the  
12 annexation or exclusion of territory by the district or the  
13 annexation of all or part of the territory of the district by a  
14 municipality requiring a reduction of the district's sales and use  
15 tax as provided by this section, the board shall send to the  
16 comptroller, by certified or registered mail, certified copies of  
17 all resolutions, orders, or ordinances pertaining to the annexation  
18 or exclusion of the territory by a district or municipality. (Acts  
19 78th Leg., R.S., Ch. 1292, Secs. 28(h), (j).)

20 Sec. 3828.207. EXAMINATION AND RECEIPT OF  
21 INFORMATION. The district may examine and receive information  
22 related to the imposition of a sales and use tax to the same extent  
23 as if the district were a municipality. (Acts 78th Leg., R.S., Ch.  
24 1292, Sec. 28(k).)

25 [Sections 3828.208-3828.250 reserved for expansion]

26 SUBCHAPTER F. DISSOLUTION OF DISTRICT

27 Sec. 3828.251. DISSOLUTION. (a) Except as provided by

1 Subsection (b) and the terms of a joint development and operating  
2 agreement, the board:

3 (1) may dissolve the district; and

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

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

10 (c) After the board dissolves the district, the board shall  
11 transfer ownership of all district property and assets to Henderson  
12 County. (Acts 78th Leg., R.S., Ch. 1292, Sec. 32.)

13 CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 3829.001. DEFINITIONS

16 Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT

17 Sec. 3829.003. PURPOSE; DECLARATION OF INTENT

18 Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

19 Sec. 3829.005. DISTRICT TERRITORY

20 Sec. 3829.006. ELIGIBILITY FOR INCLUSION IN SPECIAL

21 ZONES

22 Sec. 3829.007. APPLICABILITY OF OTHER LAW

23 Sec. 3829.008. LIBERAL CONSTRUCTION OF CHAPTER

24 [Sections 3829.009-3829.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 3829.051. COMPOSITION; TERMS

27 Sec. 3829.052. APPOINTMENT OF DIRECTORS



- 1 Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME  
2 AFFIDAVIT  
3 Sec. 3829.054. INITIAL DIRECTORS  
4 [Sections 3829.055-3829.100 reserved for expansion]  
5 SUBCHAPTER C. POWERS AND DUTIES  
6 Sec. 3829.101. ADDITIONAL POWERS OF DISTRICT  
7 Sec. 3829.102. NONPROFIT CORPORATION  
8 Sec. 3829.103. AGREEMENTS; GRANTS  
9 Sec. 3829.104. LAW ENFORCEMENT SERVICES  
10 Sec. 3829.105. COMPETITIVE BIDDING  
11 Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS  
12 Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS  
13 [Sections 3829.108-3829.150 reserved for expansion]  
14 SUBCHAPTER D. FINANCIAL PROVISIONS  
15 Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY  
16 Sec. 3829.152. TAX AND BOND ELECTIONS  
17 Sec. 3829.153. MAINTENANCE AND OPERATION TAX  
18 Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS  
19 Sec. 3829.155. PETITION REQUIRED FOR FINANCING  
20 SERVICES AND IMPROVEMENTS  
21 Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT  
22 FEES AND ASSESSMENTS  
23 Sec. 3829.157. BONDS AND OTHER OBLIGATIONS  
24 Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY  
25 DISTRICT OBLIGATIONS  
26 Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS  
27 [Sections 3829.160-3829.200 reserved for expansion]

1 SUBCHAPTER E. DISSOLUTION

2 Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT  
3 WITH OUTSTANDING DEBT

4 CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 3829.001. DEFINITIONS. In this chapter:

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

9 (2) "District" means the Sienna Plantation Management  
10 District. (Acts 78th Leg., R.S., Ch. 987, Sec. 2.)

11 Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT. The  
12 Sienna Plantation Management District is a special district created  
13 under Section 59, Article XVI, Texas Constitution. (Acts 78th  
14 Leg., R.S., Ch. 987, Sec. 1(a))

15 Sec. 3829.003. PURPOSE; DECLARATION OF INTENT. (a) The  
16 creation of the district is essential to accomplish the purposes of  
17 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
18 Texas Constitution, and other public purposes stated in this  
19 chapter. By creating the district and in authorizing the City of  
20 Missouri City, Fort Bend County, and other political subdivisions  
21 to contract with the district, the legislature has established a  
22 program to accomplish the public purposes set out in Section 52-a,  
23 Article III, Texas Constitution.

24 (b) The creation of the district is necessary to promote,  
25 develop, encourage, and maintain employment, commerce,  
26 transportation, housing, tourism, recreation, the arts,  
27 entertainment, economic development, safety, and the public

1 welfare in the area of the district.

2 (c) This chapter and the creation of the district may not be  
3 interpreted to relieve Fort Bend County or the City of Missouri City  
4 from providing the level of services provided, as of June 20, 2003,  
5 to the area in the district. The district is created to supplement  
6 and not to supplant the county or city services provided in the area  
7 in the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 3.)

8 Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
9 The district is created to serve a public use and benefit.

10 (b) All land and other property included in the district  
11 will benefit from the improvements and services to be provided by  
12 the district under powers conferred by Sections 52 and 52-a,  
13 Article III, and Section 59, Article XVI, Texas Constitution, and  
14 other powers granted under this chapter.

15 (c) The creation of the district is in the public interest  
16 and is essential to:

17 (1) further the public purposes of development and  
18 diversification of the economy of the state;

19 (2) eliminate unemployment and underemployment; and

20 (3) develop or expand transportation and commerce.

21 (d) The district will:

22 (1) promote the health, safety, and general welfare of  
23 residents, employers, employees, visitors, and consumers in the  
24 district, and of the public;

25 (2) provide needed funding to preserve, maintain, and  
26 enhance the economic health and vitality of the district as a  
27 community and business center; and

1           (3) promote the health, safety, welfare, and enjoyment  
2 of the public by providing pedestrian ways and by landscaping and  
3 developing certain areas in the district, which are necessary for  
4 the restoration, preservation, and enhancement of scenic beauty.

5           (e) Pedestrian ways along or across a street, whether at  
6 grade or above or below the surface, and street lighting, street  
7 landscaping, and street art objects are parts of and necessary  
8 components of a street and are considered to be a street or road  
9 improvement.

10           (f) The district will not act as the agent or  
11 instrumentality of any private interest even though the district  
12 will benefit many private interests, as well as the public. (Acts  
13 78th Leg., R.S., Ch. 987, Sec. 6.)

14           Sec. 3829.005. DISTRICT TERRITORY. (a) The district is  
15 composed of the territory described by Section 4, Chapter 987, Acts  
16 of the 78th Legislature, Regular Session, 2003, as that territory  
17 may have been modified under:

- 18                   (1) Subchapter J, Chapter 49, Water Code; or  
19                   (2) other law.

20           (b) The boundaries and field notes of the district contained  
21 in Section 4, Chapter 987, Acts of the 78th Legislature, Regular  
22 Session, 2003, form a closure. A mistake made in the field notes or  
23 in copying the field notes in the legislative process does not in  
24 any way affect the district's:

- 25                   (1) organization, existence, or validity;  
26                   (2) right to issue any type of bond for a purpose for  
27 which the district is created or to pay the principal of and

1 interest on a bond;

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

3 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
4 987, Sec. 5; New.)

5 Sec. 3829.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

6 All or any part of the area of the district is eligible to be  
7 included in:

8 (1) a tax increment reinvestment zone created by the  
9 City of Missouri City under Chapter 311, Tax Code;

10 (2) a tax abatement reinvestment zone created by the  
11 City of Missouri City under Chapter 312, Tax Code; or

12 (3) an enterprise zone created by the City of Missouri  
13 City under Chapter 2303, Government Code. (Acts 78th Leg., R.S.,  
14 Ch. 987, Sec. 29.)

15 Sec. 3829.007. APPLICABILITY OF OTHER LAW. Except as  
16 otherwise provided by this chapter, Chapter 375, Local Government  
17 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 987, Sec.  
18 7(a).)

19 Sec. 3829.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
20 chapter shall be construed liberally in conformity with the  
21 findings and purposes stated in this chapter. (Acts 78th Leg.,  
22 R.S., Ch. 987, Sec. 8.)

23 [Sections 3829.009-3829.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3829.051. COMPOSITION; TERMS. (a) Except as provided  
26 by Subsection (c), the district is governed by a board of five  
27 directors appointed under Section 3829.052.

1 (b) Directors serve staggered terms of four years, with two  
2 or three directors' terms expiring June 1 of each odd-numbered  
3 year.

4 (c) The board by resolution may increase or decrease the  
5 number of directors on the board if the board finds it is in the best  
6 interest of the district. The board may not consist of fewer than 5  
7 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 987, Sec. 9.)

8 Sec. 3829.052. APPOINTMENT OF DIRECTORS. The board shall  
9 nominate a slate of persons to serve as directors. The members of  
10 the governing body of the City of Missouri City shall appoint as  
11 directors the slate of persons nominated by the board. (Acts 78th  
12 Leg., R.S., Ch. 987, Sec. 10.)

13 Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

14 (a) Except as provided by this section:

15 (1) a director may participate in all board votes and  
16 decisions; and

17 (2) Chapter 171, Local Government Code, governs  
18 conflicts of interest for directors.

19 (b) Section 171.004, Local Government Code, does not apply  
20 to the district. A director who has a substantial interest in a  
21 business or charitable entity that will receive a pecuniary benefit  
22 from a board action shall file a one-time affidavit declaring the  
23 interest. An additional affidavit is not required if the  
24 director's interest changes. After the affidavit is filed with the  
25 board secretary, the director may participate in a discussion or  
26 vote on that action if:

27 (1) a majority of the directors have a similar

1 interest in the same entity; or

2 (2) all other similar business or charitable entities  
3 in the district will receive a similar pecuniary benefit.

4 (c) A director who is also an officer or employee of a public  
5 entity may not participate in the discussion of or vote on a matter  
6 regarding a contract with that public entity.

7 (d) For purposes of this section, a director has a  
8 substantial interest in a charitable entity in the same manner that  
9 a person would have a substantial interest in a business entity  
10 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
11 R.S., Ch. 987, Sec. 11.)

12 Sec. 3829.054. INITIAL DIRECTORS. (a) The initial board  
13 consists of the following persons:

14	Pos. No.	Name of Director
15	1	Teri L. Elliot
16	2	Linda C. Bell
17	3	Sabra L. Slade
18	4	Kelly Howden
19	5	Nancy W. Porter

20 (b) Of the initial directors, the terms of directors  
21 appointed for positions 1 through 3 expire June 1, 2007, and the  
22 terms of directors appointed for positions 4 and 5 expire June 1,  
23 2005.

24 (c) Section 3829.052 does not apply to this section.

25 (d) This section expires September 1, 2007. (Acts 78th  
26 Leg., R.S., Ch. 987, Sec. 26.)

1 [Sections 3829.055-3829.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3829.101. ADDITIONAL POWERS OF DISTRICT. The district  
4 may exercise the powers given to:

5 (1) a corporation under Section 4B, Development  
6 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
7 Statutes), including the power to own, operate, acquire, construct,  
8 lease, improve, and maintain projects described by that section;

9 (2) a housing finance corporation under Chapter 394,  
10 Local Government Code, to provide housing or residential  
11 development projects in the district; and

12 (3) a municipality under Chapter 380, Local Government  
13 Code. (Acts 78th Leg., R.S., Ch. 987, Secs. 12, 30 (part).)

14 Sec. 3829.102. NONPROFIT CORPORATION. (a) The board by  
15 resolution may authorize the creation of a nonprofit corporation to  
16 assist and act for the district in implementing a project or  
17 providing a service authorized by this chapter.

18 (b) The nonprofit corporation:

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

22 (2) may implement any project and provide any service  
23 authorized by this chapter.

24 (c) The board shall appoint the board of directors of the  
25 nonprofit corporation. The board of directors of the nonprofit  
26 corporation shall serve in the same manner as the board of directors  
27 of a local government corporation created under Chapter 431,



1 Transportation Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 15.)

2 Sec. 3829.103. AGREEMENTS; GRANTS. (a) The district may  
3 make an agreement with or accept a gift, grant, or loan from any  
4 person.

5 (b) The implementation of a project is a governmental  
6 function or service for the purposes of Chapter 791, Government  
7 Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 13.)

8 Sec. 3829.104. LAW ENFORCEMENT SERVICES. To protect the  
9 public interest, the district may contract with Fort Bend County or  
10 the City of Missouri City to provide law enforcement services in the  
11 district for a fee. (Acts 78th Leg., R.S., Ch. 987, Sec. 14.)

12 Sec. 3829.105. COMPETITIVE BIDDING. Section 375.221, Local  
13 Government Code, applies to the district only for a contract that  
14 has a value greater than \$25,000. (Acts 78th Leg., R.S., Ch. 987,  
15 Sec. 24.)

16 Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
17 district may join and pay dues to an organization that enjoys  
18 tax-exempt status under Section 501(c)(3), (4), or (6), Internal  
19 Revenue Code of 1986, as amended, and perform services or provide  
20 activities consistent with the furtherance of the purposes of the  
21 district. An expenditure of public money for membership in the  
22 organization is considered to further the purposes of the district  
23 and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 987, Sec.  
24 28.)

25 Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
26 may establish and provide for the administration of one or more  
27 programs to promote state or local economic development and to

1 stimulate business and commercial activity in the district,  
2 including programs to:

- 3 (1) make loans and grants of public money; and
- 4 (2) provide district personnel and services. (Acts  
5 78th Leg., R.S., Ch. 987, Sec. 30 (part).)

6 [Sections 3829.108-3829.150 reserved for expansion]

7 SUBCHAPTER D. FINANCIAL PROVISIONS

8 Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
9 board by resolution shall establish the number of directors'  
10 signatures and the procedure required for a disbursement or  
11 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 987,  
12 Sec. 23.)

13 Sec. 3829.152. TAX AND BOND ELECTIONS. (a) The district  
14 shall hold an election in the manner provided by Subchapter L,  
15 Chapter 375, Local Government Code, to obtain voter approval before  
16 the district imposes a maintenance tax or issues bonds payable from  
17 ad valorem taxes.

18 (b) The board may include more than one purpose in a single  
19 proposition at an election.

20 (c) Section 375.243, Local Government Code, does not apply  
21 to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 17.)

22 Sec. 3829.153. MAINTENANCE AND OPERATION TAX. (a) If  
23 authorized at an election held in accordance with Section 3829.152,  
24 the district may impose an annual ad valorem tax on taxable property  
25 in the district for the:

- 26 (1) maintenance and operation of the district and the  
27 improvements constructed or acquired by the district; or

1           (2) provision of a service.

2           (b) The board shall determine the tax rate. (Acts 78th  
3 Leg., R.S., Ch. 987, Sec. 18.)

4           Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
5 The board by resolution may impose an assessment for any purpose  
6 authorized by this chapter.

7           (b) An assessment, a reassessment, or an assessment  
8 resulting from an addition to or correction of the assessment roll  
9 by the district, penalties and interest on an assessment or  
10 reassessment, an expense of collection, and reasonable attorney's  
11 fees incurred by the district:

12                   (1) are a first and prior lien against the property  
13 assessed;

14                   (2) are superior to any other lien or claim other than  
15 a lien or claim for county, school district, or municipal ad valorem  
16 taxes; and

17                   (3) are the personal liability of and a charge against  
18 the owners of the property even if the owners are not named in the  
19 assessment proceedings.

20           (c) The lien is effective from the date of the board's  
21 resolution imposing the assessment until the date the assessment is  
22 paid. The board may enforce the lien in the same manner that the  
23 board may enforce an ad valorem tax lien against real property.

24           (d) The board may make a correction to or deletion from the  
25 assessment roll that does not increase the amount of assessment of  
26 any parcel of land without providing notice and holding a hearing in  
27 the manner required for additional assessments. (Acts 78th Leg.,

1 R.S., Ch. 987, Sec. 19.)

2 Sec. 3829.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
3 IMPROVEMENTS. (a) The board may not finance a service or  
4 improvement project with assessments under this chapter unless a  
5 written petition requesting that service or improvement has been  
6 filed with the board.

7 (b) The petition must be signed by:

8 (1) the owners of a majority of the assessed value of  
9 real property in the district subject to assessment according to  
10 the most recent certified tax appraisal roll for Fort Bend County;  
11 or

12 (2) at least 25 owners of real property in the  
13 district, if more than 25 persons own real property in the district  
14 according to the most recent certified tax appraisal roll for Fort  
15 Bend County. (Acts 78th Leg., R.S., Ch. 987, Sec. 16.)

16 Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
17 ASSESSMENTS. The district may not impose an impact fee or  
18 assessment on the property, including the equipment,  
19 rights-of-way, facilities, or improvements, of:

20 (1) an electric utility or a power generation company  
21 as defined by Section 31.002, Utilities Code;

22 (2) a gas utility as defined by Section 101.003 or  
23 121.001, Utilities Code;

24 (3) a telecommunications provider as defined by  
25 Section 51.002, Utilities Code; or

26 (4) a person who provides to the public cable  
27 television or advanced telecommunications services. (Acts 78th

1 Leg., R.S., Ch. 987, Sec. 20 (part).)

2 Sec. 3829.157. BONDS AND OTHER OBLIGATIONS. (a) The  
3 district may issue bonds or other obligations payable wholly or  
4 partly from ad valorem taxes, assessments, impact fees, revenue,  
5 grants, or other money of the district, or any combination of those  
6 sources of money, to pay for any authorized purpose of the district.

7 (b) In exercising the district's power to borrow, the  
8 district may issue a bond or other obligation in the form of a bond,  
9 note, certificate of participation or other instrument evidencing a  
10 proportionate interest in payments to be made by the district, or  
11 other type of obligation. (Acts 78th Leg., R.S., Ch. 987, Sec. 21.)

12 Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
13 OBLIGATIONS. Except as provided by Section 375.263, Local  
14 Government Code, a municipality is not required to pay a bond, note,  
15 or other obligation of the district. (Acts 78th Leg., R.S., Ch.  
16 987, Sec. 22.)

17 Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS. Without  
18 further authorization or other procedural requirement, the  
19 district may grant, consistent with Chapter 312, Tax Code, an  
20 abatement for a tax or assessment owed to the district. (Acts 78th  
21 Leg., R.S., Ch. 987, Sec. 27.)

22 [Sections 3829.160-3829.200 reserved for expansion]

23 SUBCHAPTER E. DISSOLUTION

24 Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
25 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
26 that has debt. If the vote is in favor of dissolution, the district  
27 shall remain in existence solely for the limited purpose of

1 discharging its debts. The dissolution is effective when all debts  
2 have been discharged.

3 (b) Section 375.264, Local Government Code, does not apply  
4 to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 25.)

5 CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 3830.001. DEFINITIONS

8 Sec. 3830.002. SPRING BRANCH AREA COMMUNITY

9 IMPROVEMENT DISTRICT

10 Sec. 3830.003. PURPOSE; DECLARATION OF INTENT

11 Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

12 Sec. 3830.005. DISTRICT TERRITORY

13 Sec. 3830.006. APPLICABILITY OF OTHER LAW

14 Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER

15 [Sections 3830.008-3830.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 3830.051. COMPOSITION; TERMS

18 Sec. 3830.052. QUALIFICATIONS

19 Sec. 3830.053. APPOINTMENT OF DIRECTORS

20 Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME

21 AFFIDAVIT

22 Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS

23 Sec. 3830.056. INITIAL DIRECTORS

24 [Sections 3830.057-3830.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT

27 Sec. 3830.102. NONPROFIT CORPORATION

1 Sec. 3830.103. AGREEMENTS; GRANTS

2 Sec. 3830.104. LAW ENFORCEMENT SERVICES

3 Sec. 3830.105. COMPETITIVE BIDDING

4 Sec. 3830.106. ELECTRONIC TRANSMISSIONS

5 [Sections 3830.107-3830.150 reserved for expansion]

6 SUBCHAPTER D. FINANCIAL PROVISIONS

7 Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY

8 Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS

9 Sec. 3830.153. PETITION REQUIRED FOR FINANCING

10 SERVICES AND IMPROVEMENTS

11 Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT

12 FEES AND ASSESSMENTS

13 Sec. 3830.155. BONDS AND OTHER OBLIGATIONS

14 [Sections 3830.156-3830.200 reserved for expansion]

15 SUBCHAPTER E. DISSOLUTION

16 Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT

17 WITH OUTSTANDING DEBT

18 CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 3830.001. DEFINITIONS. In this chapter:

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

23 (2) "District" means the Spring Branch Area Community  
24 Improvement District. (Acts 78th Leg., R.S., Ch. 777, Sec. 2.)

25 Sec. 3830.002. SPRING BRANCH AREA COMMUNITY IMPROVEMENT  
26 DISTRICT. The Spring Branch Area Community Improvement District is  
27 a special district created under Section 59, Article XVI, Texas

1 Constitution. (Acts 78th Leg., R.S., Ch. 777, Sec. 1(a).)

2 Sec. 3830.003. PURPOSE; DECLARATION OF INTENT. (a) The  
3 creation of the district is essential to accomplish the purposes of  
4 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
5 Texas Constitution, and other public purposes stated in this  
6 chapter.

7 (b) The creation of the district is necessary to promote,  
8 develop, encourage, and maintain employment, commerce,  
9 transportation, housing, tourism, recreation, the arts,  
10 entertainment, economic development, safety, and the public  
11 welfare in the area of the district.

12 (c) This chapter and the creation of the district may not be  
13 interpreted to relieve Harris County or the City of Houston from  
14 providing the level of services provided as of June 20, 2003, to the  
15 area in the district. The district is created to supplement and not  
16 to supplant the county or city services provided in the area in the  
17 district. (Acts 78th Leg., R.S., Ch. 777, Sec. 3.)

18 Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
19 The district is created to serve a public use and benefit.

20 (b) All land and other property included in the district  
21 will benefit from the improvements and services to be provided by  
22 the district under powers conferred by Sections 52 and 52-a,  
23 Article III, and Section 59, Article XVI, Texas Constitution, and  
24 other powers granted under this chapter.

25 (c) The creation of the district is in the public interest  
26 and is essential to:

27 (1) further the public purposes of development and



1 diversification of the economy of the state;

2 (2) eliminate unemployment and underemployment; and

3 (3) develop or expand transportation and commerce.

4 (d) The district will:

5 (1) promote the health, safety, and general welfare of  
6 residents, employers, employees, visitors, and consumers in the  
7 district and of the public;

8 (2) provide needed funding to preserve, maintain, and  
9 enhance the economic health and vitality of the district as a  
10 community and business center; and

11 (3) promote the health, safety, welfare, and enjoyment  
12 of the public by providing pedestrian ways and by landscaping and  
13 developing certain areas in the district, which are necessary for  
14 the restoration, preservation, and enhancement of scenic beauty.

15 (e) Pedestrian ways along or across a street, whether at  
16 grade or above or below the surface, and street lighting, street  
17 landscaping, and street art objects are parts of and necessary  
18 components of a street and are considered to be a street or road  
19 improvement.

20 (f) The district will not act as the agent or  
21 instrumentality of any private interest even though the district  
22 will benefit many private interests, as well as the public. (Acts  
23 78th Leg., R.S., Ch. 777, Sec. 6.)

24 Sec. 3830.005. DISTRICT TERRITORY. (a) The district is  
25 composed of the territory described by Section 4, Chapter 777, Acts  
26 of the 78th Legislature, Regular Session, 2003, as that territory  
27 may have been modified under:

- 1 (1) Subchapter J, Chapter 49, Water Code; or
- 2 (2) other law.

3 (b) The boundaries and field notes of the district contained  
4 in Section 4, Chapter 777, Acts of the 78th Legislature, Regular  
5 Session, 2003, form a closure. A mistake made in the field notes or  
6 in copying the field notes in the legislative process does not in  
7 any way affect the district's:

- 8 (1) organization, existence, or validity;
- 9 (2) right to issue any type of bond for a purpose for  
10 which the district is created or to pay the principal of and  
11 interest on a bond;
- 12 (3) right to impose or collect an assessment or tax; or
- 13 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
14 777, Sec. 5; New.)

15 Sec. 3830.006. APPLICABILITY OF OTHER LAW. Except as  
16 otherwise provided by this chapter, Chapter 375, Local Government  
17 Code, applies to the district. (Acts 78th Leg., R.S., Ch. 777, Sec.  
18 7(a).)

19 Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER. This  
20 chapter shall be construed liberally in conformity with the  
21 findings and purposes stated in this chapter. (Acts 78th Leg.,  
22 R.S., Ch. 777, Sec. 8.)

23 [Sections 3830.008-3830.050 reserved for expansion]

#### 24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3830.051. COMPOSITION; TERMS. (a) The district is  
26 governed by a board of 13 directors appointed under Section  
27 3830.053.

1 (b) Directors serve staggered terms of four years, with six  
2 or seven directors' terms expiring June 1 of each odd-numbered  
3 year. (Acts 78th Leg., R.S., Ch. 777, Sec. 10.)

4 Sec. 3830.052. QUALIFICATIONS. (a) To be qualified to  
5 serve as a director, a person must be at least 18 years old and:

6 (1) an owner of property subject to assessment by the  
7 district;

8 (2) an owner of a beneficial interest in a trust that  
9 owns property subject to assessment by the district; or

10 (3) an agent, employee, or tenant nominated by a  
11 person described in Subdivision (1) or (2).

12 (b) Section 375.063, Local Government Code, does not apply  
13 to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 11.)

14 Sec. 3830.053. APPOINTMENT OF DIRECTORS. The mayor and  
15 members of the governing body of the City of Houston shall appoint  
16 directors from persons recommended by the board. A person is  
17 appointed if a majority of the members of the governing body,  
18 including the mayor, vote to appoint that person. (Acts 78th Leg.,  
19 R.S., Ch. 777, Sec. 12.)

20 Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

21 (a) Except as provided by this section:

22 (1) a director may participate in all board votes and  
23 decisions; and

24 (2) Chapter 171, Local Government Code, governs  
25 conflicts of interest for directors.

26 (b) Section 171.004, Local Government Code, does not apply  
27 to the district. A director who has a substantial interest in a

1 business or charitable entity that will receive a pecuniary benefit  
2 from a board action shall file a one-time affidavit declaring the  
3 interest. An additional affidavit is not required if the  
4 director's interest changes. After the affidavit is filed with the  
5 board secretary, the director may participate in a discussion or  
6 vote on that action if:

7 (1) a majority of the directors have a similar  
8 interest in the same entity; or

9 (2) all other similar business or charitable entities  
10 in the district will receive a similar pecuniary benefit.

11 (c) A director who is also an officer or employee of a public  
12 entity may not participate in the discussion of or vote on a matter  
13 regarding a contract with that same public entity.

14 (d) For purposes of this section, a director has a  
15 substantial interest in a charitable entity in the same manner that  
16 a person would have a substantial interest in a business entity  
17 under Section 171.002, Local Government Code. (Acts 78th Leg.,  
18 R.S., Ch. 777, Sec. 13.)

19 Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a)  
20 Not later than the 30th day before the date of the first board  
21 meeting, written notice must be mailed by certified mail, return  
22 receipt requested, to each property owner in the district who could  
23 be subject to assessment by the district at the address of the  
24 property owner as reflected on the most recent certified tax  
25 appraisal roll for Harris County.

26 (b) The notice under Subsection (a) must include:

27 (1) a description and definition of the district;

1 (2) the purpose of the district;

2 (3) a statement that the district, by action of the  
 3 board, may charge an assessment for an improvement to be made in the  
 4 district; and

5 (4) the time, date, and location of the first board  
 6 meeting. (Acts 78th Leg., R.S., Ch. 777, Sec. 9.)

7 Sec. 3830.056. INITIAL DIRECTORS. (a) The initial board  
 8 consists of the following persons:

9	Pos. No.	Name of Director
10	1	Ronald Height
11	2	Glenn Smith
12	3	Catherine Barchfeld-Alexander
13	4	Kun C. Youn
14	5	Jim Jard
15	6	Al Hartman
16	7	Johnny H. Baker
17	8	Patricia A. Maddox
18	9	Pat Currie
19	10	Frank Liu
20	11	Lance H. Davis
21	12	Larry Levine
22	13	Everett P. Jackson

23 (b) Of the initial directors, the terms of directors  
 24 appointed for positions 1 through 7 expire June 1, 2005, and the  
 25 terms of directors appointed for positions 8 through 13 expire June  
 26 1, 2007.

27 (c) Section 3830.053 does not apply to this section.

1 (d) This section expires September 1, 2007. (Acts 78th  
2 Leg., R.S., Ch. 777, Sec. 27.)

3 [Sections 3830.057-3830.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT. The district  
6 may exercise the powers given to:

7 (1) a corporation under Section 4B, Development  
8 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
9 Statutes); and

10 (2) a housing finance corporation under Chapter 394,  
11 Local Government Code, to provide housing or residential  
12 development projects in the district. (Acts 78th Leg., R.S., Ch.  
13 777, Sec. 15.)

14 Sec. 3830.102. NONPROFIT CORPORATION. (a) The board by  
15 resolution may authorize the creation of a nonprofit corporation to  
16 assist and act for the district in implementing a project or  
17 providing a service authorized by this chapter.

18 (b) The nonprofit corporation:

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

22 (2) may implement any project and provide any service  
23 authorized by this chapter.

24 (c) The board shall appoint the board of directors of the  
25 nonprofit corporation. The board of directors of the nonprofit  
26 corporation shall serve in the same manner as the board of directors  
27 of a local government corporation created under Chapter 431,

1 Transportation Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 18.)

2       Sec. 3830.103. AGREEMENTS; GRANTS. (a) The district may  
3 make an agreement with or accept a gift, grant, or loan from any  
4 person.

5       (b) The implementation of a project is a governmental  
6 function or service for the purposes of Chapter 791, Government  
7 Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 16.)

8       Sec. 3830.104. LAW ENFORCEMENT SERVICES. To protect the  
9 public interest, the district may contract to provide law  
10 enforcement services in the district for a fee. (Acts 78th Leg.,  
11 R.S., Ch. 777, Sec. 17.)

12       Sec. 3830.105. COMPETITIVE BIDDING. Section 375.221, Local  
13 Government Code, applies to the district only for a contract that  
14 has a value greater than \$15,000. (Acts 78th Leg., R.S., Ch. 777,  
15 Sec. 25.)

16       Sec. 3830.106. ELECTRONIC TRANSMISSIONS. (a) The district  
17 may acquire, operate, or charge fees for the use of the district  
18 conduits for:

- 19               (1) another person's:
- 20                       (A) telecommunications network;
- 21                       (B) fiber-optic cable; or
- 22                       (C) electronic transmission line; or
- 23               (2) any other type of transmission line or supporting  
24 facility.

25       (b) The district may not require a person to use a district  
26 conduit. (Acts 78th Leg., R.S., Ch. 777, Sec. 14.)

27       [Sections 3830.107-3830.150 reserved for expansion]

1                   SUBCHAPTER D. FINANCIAL PROVISIONS

2                   Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
3 board by resolution shall establish the number of directors'  
4 signatures and the procedure required for a disbursement or  
5 transfer of the district's money. (Acts 78th Leg., R.S., Ch. 777,  
6 Sec. 24.)

7                   Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
8 The board by resolution may impose an assessment for any purpose  
9 authorized by this chapter.

10                   (b) An assessment, a reassessment, or an assessment  
11 resulting from an addition to or correction of the assessment roll  
12 by the district, penalties and interest on an assessment or  
13 reassessment, an expense of collection, and reasonable attorney's  
14 fees incurred by the district:

15                   (1) are a first and prior lien against the property  
16 assessed;

17                   (2) are superior to any other lien or claim other than  
18 a lien or claim for county, school district, or municipal ad valorem  
19 taxes; and

20                   (3) are the personal liability of and a charge against  
21 the owners of the property even if the owners are not named in the  
22 assessment proceedings.

23                   (c) The lien is effective from the date of the resolution of  
24 the board imposing the assessment until the date the assessment is  
25 paid. The board may enforce the lien in the same manner that the  
26 board may enforce an ad valorem tax lien against real property.  
27 (Acts 78th Leg., R.S., Ch. 777, Sec. 20.)



1           Sec. 3830.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
2 IMPROVEMENTS. (a) The board may not finance a service or  
3 improvement project with assessments or bonds under this chapter  
4 unless a written petition requesting that service or improvement  
5 has been filed with the board.

6           (b) A petition requesting a project financed by assessment  
7 must be signed by:

8           (1) the owners of a majority of the assessed value of  
9 real property in the district subject to assessment according to  
10 the most recent certified tax appraisal roll for Harris County; or

11           (2) at least 50 owners of real property in the district  
12 that will be subject to the assessment, if more than 50 persons own  
13 real property subject to the assessment in the district according  
14 to the most recent certified tax appraisal roll for Harris County.

15           (c) A petition requesting a project financed by bonds must  
16 be signed by the owners of a majority of the assessed value of real  
17 property in the district that will be subject to the assessment  
18 according to the most recent certified tax appraisal roll for  
19 Harris County. (Acts 78th Leg., R.S., Ch. 777, Secs. 19, 23(b).)

20           Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
21 ASSESSMENTS. The district may not impose an impact fee or  
22 assessment on the property, including the equipment,  
23 rights-of-way, facilities, or improvements, of:

24           (1) an electric utility or a power generation company  
25 as defined by Section 31.002, Utilities Code;

26           (2) a gas utility as defined by Section 101.003 or  
27 121.001, Utilities Code;

1 (3) a telecommunications provider as defined by  
2 Section 51.002, Utilities Code; or

3 (4) a person who provides to the public cable  
4 television or advanced telecommunications services. (Acts 78th  
5 Leg., R.S., Ch. 777, Sec. 22.)

6 Sec. 3830.155. BONDS AND OTHER OBLIGATIONS. (a) The  
7 district may issue bonds or other obligations payable wholly or  
8 partly from assessments, impact fees, revenue, grants, or other  
9 money of the district, or any combination of those sources of money,  
10 to pay for any authorized purpose of the district.

11 (b) In exercising the district's power to borrow, the  
12 district may issue a bond or other obligation in the form of a bond,  
13 note, certificate of participation or other instrument evidencing a  
14 proportionate interest in payments to be made by the district, or  
15 other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Secs.  
16 23(a), (c).)

17 [Sections 3830.156-3830.200 reserved for expansion]

18 SUBCHAPTER E. DISSOLUTION

19 Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
20 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
21 that has debt. If the vote is in favor of dissolution, the district  
22 shall remain in existence solely for the limited purpose of  
23 discharging its debts. The dissolution is effective when all debts  
24 have been discharged.

25 (b) Section 375.264, Local Government Code, does not apply  
26 to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 26.)

1 CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT  
2 DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 3831.001. DEFINITIONS

5 Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE  
6 FINDINGS

7 Sec. 3831.003. NATURE OF DISTRICT

8 Sec. 3831.004. DISTRICT TERRITORY

9 Sec. 3831.005. LIBERAL CONSTRUCTION OF CHAPTER

10 [Sections 3831.006-3831.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 3831.051. GOVERNING BODY

13 Sec. 3831.052. TERMS

14 Sec. 3831.053. DATE OF ELECTIONS

15 Sec. 3831.054. QUALIFICATIONS

16 Sec. 3831.055. VACANCY

17 Sec. 3831.056. DIRECTOR'S BOND; OATH OR AFFIRMATION

18 Sec. 3831.057. OFFICERS

19 Sec. 3831.058. COMPENSATION; EXPENSES

20 Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS

21 Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD

22 [Sections 3831.061-3831.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 3831.101. GENERAL POWERS

25 Sec. 3831.102. RULES

26 Sec. 3831.103. DISTRICT OFFICE

27 Sec. 3831.104. PROPERTY

- 1 Sec. 3831.105. AGREEMENTS
- 2 Sec. 3831.106. GIFTS, GRANTS, AND LOANS
- 3 Sec. 3831.107. COMPETITIVE BIDDING
- 4 Sec. 3831.108. RELATION TO OTHER LAW ON CONTRACTS
- 5 Sec. 3831.109. FEES FOR USE OF DISTRICT IMPROVEMENTS
- 6 Sec. 3831.110. PROGRAMS
- 7 Sec. 3831.111. PROJECTS
- 8 Sec. 3831.112. SUITS
- 9 Sec. 3831.113. SEAL
- 10 Sec. 3831.114. NONPROFIT CORPORATION
- 11 [Sections 3831.115-3831.150 reserved for expansion]
- 12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 13 Sec. 3831.151. USE OF DISTRICT MONEY
- 14 Sec. 3831.152. INVESTMENTS
- 15 Sec. 3831.153. DISBURSEMENTS OR TRANSFERS OF MONEY
- 16 Sec. 3831.154. DEPOSITORY INSTITUTION
- 17 Sec. 3831.155. ACCOUNTS; FISCAL YEAR
- 18 Sec. 3831.156. PROJECT FUND
- 19 Sec. 3831.157. AUDIT
- 20 Sec. 3831.158. ASSESSMENTS
- 21 Sec. 3831.159. LIABILITIES
- 22 Sec. 3831.160. OBLIGATIONS
- 23 [Sections 3831.161-3831.200 reserved for expansion]
- 24 SUBCHAPTER E. AD VALOREM TAX
- 25 Sec. 3831.201. IMPOSITION OF AD VALOREM TAX
- 26 Sec. 3831.202. TAX RATE
- 27 Sec. 3831.203. TAX ASSESSOR-COLLECTOR

1 [Sections 3831.204-3831.250 reserved for expansion]

2 SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION

3 AUTHORITY

4 Sec. 3831.251. APPLICATION FOR PETITION TO CALL  
5 ELECTION

6 Sec. 3831.252. FORM AND COPIES OF PETITION

7 Sec. 3831.253. FILING AND VERIFICATION OF PETITION

8 Sec. 3831.254. ELECTION ORDER

9 Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION; RESULTS

10 [Sections 3831.256-3831.300 reserved for expansion]

11 SUBCHAPTER G. DISSOLUTION OF DISTRICT

12 Sec. 3831.301. DISSOLUTION OF DISTRICT

13 Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL

14 Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT  
15 WITH CITY

16 Sec. 3831.304. EFFECT OF DISSOLUTION ON TAXES

17 CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT  
18 DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 3831.001. DEFINITIONS. In this chapter:

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

23 (2) "City council" means the governing body of the  
24 City of Temple.

25 (3) "Director" means a board member.

26 (4) "District" means the Temple Health and Bioscience  
27 Economic Development District.

1           (5) "Obligation" means an interest-bearing obligation  
2 issued by the district under this chapter, including a bond,  
3 certificate, note, or other evidence of indebtedness.

4           (6) "Project" means a project established under  
5 Section 3831.111 and includes the land, buildings, equipment,  
6 facilities, infrastructure, improvements, and other property  
7 necessary to accomplish the purposes of the project. (Acts 78th  
8 Leg., R.S., Ch. 777, Sec. 2.001.)

9           Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE  
10 FINDINGS. (a) The creation of the district is essential to  
11 accomplish the purposes of Section 52-a, Article III, and Section  
12 59, Article XVI, Texas Constitution, and to accomplish other public  
13 purposes stated in this chapter.

14           (b) This chapter is enabling legislation enacted to further  
15 the public purposes under Section 52-a, Article III, Texas  
16 Constitution.

17           (c) The creation of the district is necessary to further the  
18 public purpose of improving the economy of this state and of the  
19 city of Temple by providing for the development of health and  
20 bioscience operations and facilities.

21           (d) The district serves the public purposes stated in this  
22 section. (Acts 78th Leg., R.S., Ch. 777, Sec. 1.001.)

23           Sec. 3831.003. NATURE OF DISTRICT. The district is a  
24 special district and a political subdivision of this state under  
25 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,  
26 R.S., Ch. 777, Sec. 2.002.)

27           Sec. 3831.004. DISTRICT TERRITORY. The district boundaries

1 are coextensive with the boundaries of the city of Temple as the  
2 boundaries of the city are adjusted by the city. (Acts 78th Leg.,  
3 R.S., Ch. 777, Sec. 3.006(b) (part).)

4 Sec. 3831.005. LIBERAL CONSTRUCTION OF CHAPTER. This  
5 chapter shall be construed liberally in conformity with the  
6 legislative findings and purposes stated in this chapter. (Acts  
7 78th Leg., R.S., Ch. 777, Sec. 1.002(a).)

8 [Sections 3831.006-3831.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 3831.051. GOVERNING BODY. The district is governed by  
11 a board of seven directors elected as provided by this chapter.  
12 (Acts 78th Leg., R.S., Ch. 777, Sec. 4.001.)

13 Sec. 3831.052. TERMS. Directors serve staggered  
14 three-year terms. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.002.)

15 Sec. 3831.053. DATE OF ELECTIONS. The district shall hold  
16 board elections so that:

17 (1) four directors are elected on the regular election  
18 day on which certain members of the city council and the mayor of  
19 the City of Temple are elected; and

20 (2) three directors are elected on the regular  
21 election day on which the other members of the city council of the  
22 City of Temple are elected. (Acts 78th Leg., R.S., Ch. 777, Sec.  
23 4.003.)

24 Sec. 3831.054. QUALIFICATIONS. A director:

25 (1) must be a registered voter of the City of Temple;  
26 and

27 (2) may not:

1 (A) be an elected official; or

2 (B) be employed by the district or the City of  
3 Temple. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.004.)

4 Sec. 3831.055. VACANCY. The remaining directors shall  
5 fill a vacancy in the office of director for the unexpired term.  
6 (Acts 78th Leg., R.S., Ch. 777, Sec. 4.005.)

7 Sec. 3831.056. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a)  
8 As soon as practicable after a director is elected or appointed, the  
9 director shall execute a bond for \$10,000 payable to the district  
10 and conditioned on the faithful performance of the director's  
11 duties.

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

13 (c) The bond and the director's constitutional oath or  
14 affirmation of office shall be filed with the district and the  
15 district shall retain the bond and the oath or affirmation in the  
16 district's records. (Acts 78th Leg., R.S., Ch. 777, Secs.  
17 4.006(a), (b), (d).)

18 Sec. 3831.057. OFFICERS. (a) The board shall elect from  
19 among the directors a presiding officer, a secretary, and any other  
20 officers the board considers necessary.

21 (b) The board by resolution shall establish the powers and  
22 duties of the officers, consistent with this chapter. (Acts 78th  
23 Leg., R.S., Ch. 777, Sec. 4.007.)

24 Sec. 3831.058. COMPENSATION; EXPENSES. A director serves  
25 without compensation but is entitled to reimbursement for actual  
26 and necessary expenses approved by the board. (Acts 78th Leg.,  
27 R.S., Ch. 777, Sec. 4.008.)



1           Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS. (a) The  
2 board may establish regular meetings to conduct district business  
3 and may hold special meetings at other times as necessary.

4           (b) The board shall provide the notice prepared under  
5 Subchapter C, Chapter 551, Government Code, to the City of Temple's  
6 secretary. In addition to the requirements imposed by that  
7 subchapter on the district, the city shall post the notice at the  
8 usual location at which notices of city council meetings are  
9 posted. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.009.)

10           Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The  
11 board shall employ any person the board considers necessary to  
12 conduct district affairs, including:

- 13           (1) engineers;
- 14           (2) attorneys;
- 15           (3) financial advisors;
- 16           (4) economists;
- 17           (5) a general manager;
- 18           (6) a utility operator;
- 19           (7) bookkeepers;
- 20           (8) auditors; and
- 21           (9) clerical workers.

22           (b) The board by resolution shall determine the  
23 compensation and terms of service of any person employed or hired by  
24 the district.

25           (c) The board may remove any employee.

26           (d) The board may require an employee to execute a bond  
27 payable to the district and conditioned on the faithful performance

1 of the person's duties. (Acts 78th Leg., R.S., Ch. 777, Sec.  
2 4.010.)

3 [Sections 3831.061-3831.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 3831.101. GENERAL POWERS. The district has all powers  
6 necessary or convenient to carry out and effect the purposes and  
7 provisions of this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec.  
8 5.001.)

9 Sec. 3831.102. RULES. The board may adopt rules to govern  
10 the district, including rules governing district operations,  
11 employees, and property. (Acts 78th Leg., R.S., Ch. 777, Sec.  
12 5.002.)

13 Sec. 3831.103. DISTRICT OFFICE. The board shall designate  
14 and establish a district office in the city of Temple. (Acts 78th  
15 Leg., R.S., Ch. 777, Sec. 5.003.)

16 Sec. 3831.104. PROPERTY. The district may exercise any  
17 type of property right, including the power to acquire, sell, or  
18 lease as lessee or lessor, regarding any type of property interest  
19 in the district or for use in the district under terms determined by  
20 the board. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.004.)

21 Sec. 3831.105. AGREEMENTS. The district may make an  
22 agreement with any person for any district purpose, including a  
23 contract to manage or maintain a district project. (Acts 78th Leg.,  
24 R.S., Ch. 777, Sec. 5.005 (part).)

25 Sec. 3831.106. GIFTS, GRANTS, AND LOANS. The district may  
26 accept a gift, grant, or loan from any person for any district  
27 purpose. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.005 (part).)

1           Sec. 3831.107. COMPETITIVE BIDDING. (a)       Except as  
2 provided by Subsection (b), Section 375.221, Local Government Code,  
3 applies to the district.

4           (b) Section 375.221, Local Government Code, does not apply  
5 to a contract between the district and:

- 6                   (1) another governmental entity;
- 7                   (2) a nonprofit corporation, including a scientific  
8 research corporation; or
- 9                   (3) a corporation created under the Development  
10 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
11 Statutes). (Acts 78th Leg., R.S., Ch. 777, Sec. 5.006.)

12           Sec. 3831.108. RELATION TO OTHER LAW ON CONTRACTS. This  
13 chapter states the procedures necessary to award contracts and  
14 supersedes any law or other requirement otherwise applicable to the  
15 district regarding the award of contracts. (Acts 78th Leg., R.S.,  
16 Ch. 777, Sec. 5.007.)

17           Sec. 3831.109. FEES FOR USE OF DISTRICT IMPROVEMENTS. The  
18 district may establish and maintain reasonable and  
19 nondiscriminatory rates, fares, charges, rents, or other fees or  
20 compensation for the use of the improvements constructed, operated,  
21 or maintained by the district. (Acts 78th Leg., R.S., Ch. 777, Sec.  
22 5.008.)

23           Sec. 3831.110. PROGRAMS. (a) The district may establish  
24 and provide for the administration of one or more programs to:

- 25                   (1) promote state or local economic development; and
- 26                   (2) stimulate business and commercial activity in the  
27 district that relates to a project.

1 (b) As part of a program, the district may:

2 (1) make loans or grants of public money for a public  
3 purpose as provided by Section 52-a, Article III, Texas  
4 Constitution; or

5 (2) provide district personnel and services for the  
6 program.

7 (c) The district may contract with any person to administer  
8 a program established under this section. (Acts 78th Leg., R.S.,  
9 Ch. 777, Sec. 5.009.)

10 Sec. 3831.111. PROJECTS. (a) The district may establish  
11 projects for:

12 (1) bioscience and health products, including  
13 projects related to:

14 (A) research and development;

15 (B) invention and discovery;

16 (C) commercialization;

17 (D) production and manufacturing of goods and  
18 products, including projects for manufacturing facilities; and

19 (E) development of production process and  
20 delivery system purposes in, involved in, based on, or related to,  
21 or intended to advance the state of knowledge, skill, and  
22 understanding of, the biosciences, including:

23 (i) wet laboratories;

24 (ii) clean rooms;

25 (iii) dry laboratories;

26 (iv) research and development facilities;

27 (v) genetics facilities and equipment;

- 1 (vi) pharmaceutical facilities and  
2 equipment;
- 3 (vii) biotechnology incubators;
- 4 (viii) bioscience and biotechnology health  
5 care facilities;
- 6 (ix) biotechnology facilities;
- 7 (x) bioscience facilities; and
- 8 (xi) other similar projects;
- 9 (2) bioscience education, including projects for  
10 health or biotechnology education facilities, regardless of any  
11 affiliation with other institutions of higher, vocational, or job  
12 training education;
- 13 (3) access to public safety facilities and equipment;
- 14 (4) streets and roads;
- 15 (5) drainage services;
- 16 (6) wastewater services;
- 17 (7) potable water services;
- 18 (8) telecommunication facilities;
- 19 (9) demolition of existing structures;
- 20 (10) development and institution of water  
21 conservation programs;
- 22 (11) chilled water services;
- 23 (12) steam services;
- 24 (13) industrial gases services;
- 25 (14) other utility and process and production  
26 services; or
- 27 (15) the support of any other type of health or

1 bioscience projects.

2 (b) A project must be related to the bioscience or health  
3 purposes of the district. (Acts 78th Leg., R.S., Ch. 777, Sec.  
4 5.010.)

5 Sec. 3831.112. SUITS. (a) The district may sue and be  
6 sued.

7 (b) Service of process in a suit may be made by serving any  
8 two directors.

9 (c) The district may not be required to give security for  
10 costs and may appeal from a judgment without giving a supersedeas  
11 bond or cost bond. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.011.)

12 Sec. 3831.113. SEAL. The district may adopt a seal. (Acts  
13 78th Leg., R.S., Ch. 777, Sec. 5.012.)

14 Sec. 3831.114. NONPROFIT CORPORATION. (a) The board by  
15 resolution may authorize the creation of a nonprofit corporation,  
16 including a scientific corporation, under the Business  
17 Organizations Code. The nonprofit corporation shall assist and act  
18 for the district in implementing a project or providing a service  
19 authorized by this chapter.

20 (a-1) On or before December 31, 2009, the board by  
21 resolution may authorize the creation of a nonprofit corporation,  
22 including a scientific corporation, under the Texas Non-Profit  
23 Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil  
24 Statutes) or the Business Organizations Code, as applicable. The  
25 nonprofit corporation shall assist and act for the district in  
26 implementing a project or providing a service authorized by this  
27 chapter.

1 (b) The nonprofit corporation:

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

5 (2) may implement any project and provide any service  
6 authorized by this chapter.

7 (c) The board shall appoint the board of directors of the  
8 nonprofit corporation. The board may appoint a director of the  
9 district's board to serve as a director of the nonprofit  
10 corporation. The board of directors of the nonprofit corporation  
11 shall serve in the same manner as the board of directors of a local  
12 government corporation created under Chapter 431, Transportation  
13 Code.

14 (d) This subsection and Subsection (a-1) expire December  
15 31, 2009. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.013.)

16 [Sections 3831.115-3831.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 3831.151. USE OF DISTRICT MONEY. The district may use  
19 district money for any district purpose, including:

20 (1) to pay for projects; and

21 (2) to pay district obligations. (Acts 78th Leg.,  
22 R.S., Ch. 777, Sec. 6.001.)

23 Sec. 3831.152. INVESTMENTS. (a) The district may invest  
24 money the district receives under this chapter.

25 (b) The district may hire a person to invest district money  
26 on terms the board considers advisable. (Acts 78th Leg., R.S., Ch.  
27 777, Sec. 6.002.)

1           Sec. 3831.153. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
2 board by resolution shall establish the number of directors'  
3 signatures and the procedure required for a disbursement or  
4 transfer of district money. (Acts 78th Leg., R.S., Ch. 777, Sec.  
5 6.003.)

6           Sec. 3831.154. DEPOSITORY INSTITUTION. The district may  
7 select one or more financial institutions to serve as a depository  
8 bank for the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.004.)

9           Sec. 3831.155. ACCOUNTS; FISCAL YEAR. (a) The district  
10 may establish an accounting system for the district for each year.

11           (b) The district may establish a fiscal year for the  
12 district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.005.)

13           Sec. 3831.156. PROJECT FUND. (a) The district by  
14 resolution shall establish a project fund.

15           (b) The district may establish separate accounts in the  
16 project fund.

17           (c) The district shall deposit into the project fund all  
18 money acquired or received by the district, including:

19                   (1) the proceeds from an ad valorem tax imposed by the  
20 district; and

21                   (2) revenue from the sale of district obligations.  
22 (Acts 78th Leg., R.S., Ch. 777, Sec. 6.006.)

23           Sec. 3831.157. AUDIT. (a) The district shall enter into a  
24 written contract with an independent certified public accountant or  
25 a certified public accounting firm for an annual audit of the  
26 district's affairs and financial records.

27           (b) The district shall make the audit available for



1 inspection by the public and the City of Temple. (Acts 78th Leg.,  
2 R.S., Ch. 777, Sec. 6.007.)

3 Sec. 3831.158. ASSESSMENTS. The district may impose an  
4 assessment on property in the district, including an assessment on  
5 a leasehold interest, by agreement with the property owner. (Acts  
6 78th Leg., R.S., Ch. 777, Sec. 6.008.)

7 Sec. 3831.159. LIABILITIES. The district may incur  
8 liabilities, including a liability incurred by:

- 9 (1) borrowing money on terms the board determines; and  
10 (2) issuing obligations under Section 3831.160. (Acts  
11 78th Leg., R.S., Ch. 777, Sec. 6.009.)

12 Sec. 3831.160. OBLIGATIONS. (a) The district may issue  
13 obligations, including revenue bonds, to pay the costs of a project  
14 in the district.

15 (b) In exercising the district's borrowing power, the  
16 district may issue an obligation in the form of a bond, note,  
17 certificate of participation or other instrument evidencing a  
18 proportionate interest in payments to be made by the district, or  
19 other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Sec.  
20 6.010.)

21 [Sections 3831.161-3831.200 reserved for expansion]

22 SUBCHAPTER E. AD VALOREM TAX

23 Sec. 3831.201. IMPOSITION OF AD VALOREM TAX. If authorized  
24 at an election held under Section 3831.255, the district:

- 25 (1) may by order impose an annual ad valorem tax on  
26 taxable property in the district to pay for projects; and  
27 (2) shall by order impose an ad valorem tax to pay for

1 obligations that are payable wholly or partly from ad valorem  
2 taxes. (Acts 78th Leg., R.S., Ch. 777, Sec. 7.001.)

3 Sec. 3831.202. TAX RATE. (a) The board shall determine  
4 the tax rate.

5 (b) The tax rate may not exceed 15 cents per \$100 of assessed  
6 valuation of taxable property in the district. (Acts 78th Leg.,  
7 R.S., Ch. 777, Sec. 7.002.)

8 Sec. 3831.203. TAX ASSESSOR-COLLECTOR. The board may:

9 (1) appoint a district tax assessor-collector; or

10 (2) contract for the assessment and collection of  
11 taxes as provided by the Tax Code. (Acts 78th Leg., R.S., Ch. 777,  
12 Sec. 7.003.)

13 [Sections 3831.204-3831.250 reserved for expansion]

14 SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION

15 AUTHORITY

16 Sec. 3831.251. APPLICATION FOR PETITION TO CALL ELECTION.

17 (a) If 10 or more registered voters of the city of Temple file a  
18 written application with the city for a petition to authorize the  
19 district to impose an ad valorem tax, the city shall issue to the  
20 applicants a petition to be circulated among the registered voters  
21 of the city for the signatures of voters who want to authorize the  
22 district to impose an ad valorem tax.

23 (b) At the request of petitioners under this section, a  
24 petition for a local option election to determine whether the  
25 district may impose an ad valorem tax may also provide that at the  
26 same election the district shall be authorized to issue obligations  
27 payable wholly or partly from that ad valorem tax as permitted under

1 Section 3831.160.

2 (c) The application for the petition must be titled:  
3 "Application for Local Option Election Petition to Enable the  
4 Temple Health and Bioscience Economic Development District to  
5 Impose an Ad Valorem Tax not to Exceed 15 Cents per \$100 Valuation  
6 of all Taxable Property in the District."

7 (d) The application must contain a statement just before the  
8 signatures of the applicants that reads substantially as follows:  
9 "The petitioners whose signatures appear on this petition intend  
10 that the Temple Health and Bioscience Economic Development District  
11 be enabled to impose an ad valorem tax not to exceed 15 cents per  
12 \$100 valuation of all taxable property in the district."

13 (e) If the petition also seeks an election to authorize the  
14 issuance of obligations by the district payable wholly or partly  
15 from ad valorem taxes, the statement: "and to Issue Bonds Payable in  
16 Whole or in Part from the Ad Valorem Tax" must be appended to the  
17 title specified by Subsection (c). (Acts 78th Leg., R.S., Ch. 777,  
18 Secs. 3.001(b), (c), 3.002(c).)

19 Sec. 3831.252. FORM AND COPIES OF PETITION. (a) Each  
20 petition issued under Section 3831.251 must show the date it is  
21 issued by the City of Temple and be serially numbered. Each page of  
22 the petition must bear the same date and serial number.

23 (b) The City of Temple shall supply as many copies of the  
24 petition as required by the applicants but not to exceed more than  
25 one page of the petition for every 10 registered voters in the city.  
26 Each copy shall bear the date, number, and seal on each page as  
27 required on the original petition.

1 (c) The City of Temple shall keep a copy of each petition and  
2 a record of the applicants for that petition. (Acts 78th Leg.,  
3 R.S., Ch. 777, Secs. 3.002(d), 3.003.)

4 Sec. 3831.253. FILING AND VERIFICATION OF PETITION. (a)  
5 The applicants requesting a petition under Section 3831.251 may  
6 file a request with the City of Temple for the petition to be  
7 verified. The applicants must file the request not later than the  
8 120th day after the date the petition is issued by the City of  
9 Temple.

10 (b) If the applicants file a request for verification of the  
11 petition, the City of Temple shall examine the names of the signers  
12 of petitions and determine whether the signers of the petition were  
13 registered voters of the city at the time the petition was issued.

14 (c) The City of Temple shall certify to the city council the  
15 number of registered voters signing the petition not later than the  
16 15th day after the date the request for verification was filed.

17 (d) A signature may not be counted under this section if  
18 there is good reason to believe that:

19 (1) the signature is not the actual signature of the  
20 purported signer;

21 (2) the voter registration certificate number is not  
22 correct;

23 (3) the signature duplicates a name or the handwriting  
24 used in any other signature on the petition; or

25 (4) the signer's residence address cannot be verified.  
26 (Acts 78th Leg., R.S., Ch. 777, Sec. 3.004.)

27 Sec. 3831.254. ELECTION ORDER. (a) Not later than the

1 date of the second regular session of the city council convened  
2 after a petition has been verified under Section 3831.253, the city  
3 council shall order an election to be held in the district on the  
4 proposition stated in the petition if the petition contains:

5 (1) the signatures of a number of registered voters of  
6 the city of Temple equal to at least 10 percent of the registered  
7 voters of the city who voted in the most recent general election in  
8 the city;

9 (2) a notation showing the residence address of each  
10 signer;

11 (3) each signer's voter registration certificate  
12 number; and

13 (4) each signer's printed name.

14 (b) The following shall be entered in the city council  
15 minutes:

16 (1) the dates a petition is presented to and verified  
17 by the City of Temple;

18 (2) the names of the signers; and

19 (3) the action taken on the petition.

20 (c) The order issued under Subsection (a) must state that  
21 the district's boundaries are coextensive with the boundaries of  
22 the city of Temple and that the election will be held within those  
23 boundaries. (Acts 78th Leg., R.S., Ch. 777, Secs. 3.005,  
24 3.006(b).)

25 Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION;  
26 RESULTS. (a) The city council shall give notice of an election  
27 ordered under Section 3831.254 by publishing a substantial copy of

1 the election order once a week for two consecutive weeks in a  
2 newspaper with general circulation in the city of Temple.

3 (b) The first publication of the notice must appear before  
4 the 14th day before the date set for the election. If the election  
5 order includes the issue of whether the district may issue  
6 obligations, the first publication of the notice must appear before  
7 the 31st day before the date set for the election.

8 (c) The ballot for an election held under this section must  
9 be printed to permit voting for or against the following  
10 proposition, as appropriate according to the verified petition:

11 (1) "Authorizing the imposition of an ad valorem tax  
12 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
13 property in the district"; or

14 (2) "Authorizing the imposition of an ad valorem tax  
15 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
16 property in the district and to issue bonds payable in whole or in  
17 part from the ad valorem tax."

18 (d) The district may impose the tax if a majority of the  
19 district voters voting at the election favor the proposition stated  
20 in Subsection (c)(1) or (2). The district may issue obligations  
21 payable wholly or partly from ad valorem taxes if a majority of the  
22 district voters voting at the election favor the proposition stated  
23 in Subsection (c)(2).

24 (e) If a majority of the district voters voting at the  
25 election vote against the proposition, another election on the  
26 proposition may not be held before the first anniversary of the date  
27 of the most recent election concerning the proposition.

1 (f) The City of Temple shall hold an election provided under  
2 this section on the earliest uniform election date under Section  
3 41.001, Election Code, that occurs after the city council adopts  
4 the order calling the election. (Acts 78th Leg., R.S., Ch. 777,  
5 Secs. 3.006(a), (c) (part), (d) (part), (e) (part), (f).)

6 [Sections 3831.256-3831.300 reserved for expansion]

7 SUBCHAPTER G. DISSOLUTION OF DISTRICT

8 Sec. 3831.301. DISSOLUTION OF DISTRICT. The district may  
9 be dissolved only as provided by this subchapter. (Acts 78th Leg.,  
10 R.S., Ch. 777, Sec. 8.001.)

11 Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL. (a)  
12 The board may petition the city council to dissolve the district if  
13 the board finds that the district:

14 (1) has not issued obligations under Section 3831.160  
15 and that the purposes of the district are impracticable, or  
16 reasonably and economically cannot be successful or accomplished;  
17 or

18 (2) has paid, or otherwise provided for payment of,  
19 all obligations issued under Section 3831.160 and that the district  
20 purposes have been accomplished.

21 (b) On receipt of the petition, the city council shall hold  
22 a public hearing to determine whether the dissolution of the  
23 district serves the best interests of the City of Temple and of the  
24 residents of the city.

25 (c) After the hearing, the city council shall:

26 (1) enter in the council records the appropriate  
27 findings and an order dissolving the district if the city council

1 unanimously determines that the best interests of the City of  
2 Temple and of the residents of the city will be served by dissolving  
3 the district; or

4 (2) enter an order providing that the district is not  
5 dissolved if the city council does not unanimously determine that  
6 the best interests of the City of Temple and of the residents of the  
7 city will be served by dissolving the district.

8 (d) On dissolution of the district under this section:

9 (1) all money and other property of the district are  
10 transferred to the City of Temple; and

11 (2) the City of Temple shall assume any remaining  
12 district contracts or other district obligations. (Acts 78th Leg.,  
13 R.S., Ch. 777, Sec. 8.002.)

14 Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH  
15 CITY. (a) The district may be dissolved by agreement between the  
16 city council and the board.

17 (b) On dissolution of the district under this section:

18 (1) all money and other property of the district are  
19 transferred to the City of Temple; and

20 (2) the City of Temple shall assume the district's  
21 responsibilities regarding all district contracts, debts, and  
22 obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.003.)

23 Sec. 3831.304. EFFECT OF DISSOLUTION ON TAXES. On  
24 dissolution of the district, any taxes imposed by the district are  
25 abolished. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.004.)



1           CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1  
2                           SUBCHAPTER A. GENERAL PROVISIONS  
3   Sec. 3832.001.   DEFINITIONS  
4   Sec. 3832.002.   WALLER COUNTY ROAD IMPROVEMENT DISTRICT  
5                           NO. 1  
6   Sec. 3832.003.   PURPOSE; DECLARATION OF INTENT  
7   Sec. 3832.004.   FINDINGS OF BENEFIT AND PUBLIC PURPOSE  
8   Sec. 3832.005.   DISTRICT TERRITORY  
9   Sec. 3832.006.   LIBERAL CONSTRUCTION OF CHAPTER  
10   Sec. 3832.007.   EFFECT ON BROOKSHIRE-KATY DRAINAGE  
11                           DISTRICT  
12           [Sections 3832.008-3832.050 reserved for expansion]  
13                           SUBCHAPTER B. BOARD OF DIRECTORS  
14   Sec. 3832.051.   COMPOSITION; TERMS  
15   Sec. 3832.052.   QUALIFICATIONS  
16   Sec. 3832.053.   ELECTION DATE  
17   Sec. 3832.054.   INITIAL DIRECTORS  
18           [Sections 3832.055-3832.100 reserved for expansion]  
19                           SUBCHAPTER C. POWERS AND DUTIES  
20   Sec. 3832.101.   POWERS OF DISTRICT  
21   Sec. 3832.102.   AGREEMENTS; GRANTS  
22   Sec. 3832.103.   LAW ENFORCEMENT SERVICES  
23   Sec. 3832.104.   UTILITIES  
24           [Sections 3832.105-3832.150 reserved for expansion]  
25                           SUBCHAPTER D. FINANCIAL PROVISIONS  
26   Sec. 3832.151.   AUTHORITY TO IMPOSE AD VALOREM TAXES,  
27                           ASSESSMENTS, AND IMPACT FEES

1 Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS

2 Sec. 3832.153. MAINTENANCE AND OPERATION TAX

3 Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

4 Sec. 3832.155. PETITION REQUIRED FOR FINANCING

5 SERVICES AND IMPROVEMENTS

6 Sec. 3832.156. BONDS AND OTHER OBLIGATIONS

7 CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 3832.001. DEFINITIONS. In this chapter:

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

12 (2) "District" means Waller County Road Improvement  
13 District No. 1. (Acts 78th Leg., R.S., Ch. 1157, Sec. 3.)

14 Sec. 3832.002. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO.  
15 1. Waller County Road Improvement District No. 1 is a special  
16 district created under Section 52, Article III, and Section 59,  
17 Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1157,  
18 Sec. 1(a).)

19 Sec. 3832.003. PURPOSE; DECLARATION OF INTENT. (a) The  
20 creation of the district is essential to accomplish the purposes of  
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
22 Texas Constitution, and other public purposes stated in this  
23 chapter.

24 (b) The creation of the district is necessary to promote,  
25 develop, encourage, and maintain employment, commerce,  
26 transportation, housing, tourism, recreation, the arts,  
27 entertainment, economic development, safety, and the public

1 welfare in the area of the district. (Acts 78th Leg., R.S., Ch.  
2 1157, Sec. 2.)

3 Sec. 3832.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
4 The district is created to serve a public use and benefit.

5 (b) All land and other property included in the district  
6 will benefit from the improvements and services to be provided by  
7 the district under powers conferred by Sections 52 and 52-a,  
8 Article III, and Section 59, Article XVI, Texas Constitution, and  
9 other powers granted under this chapter.

10 (c) The creation of the district is in the public interest  
11 and is essential to:

12 (1) further the public purposes of development and  
13 diversification of the economy of the state;

14 (2) eliminate unemployment and underemployment; and

15 (3) develop or expand transportation and commerce.

16 (d) The present and prospective traffic congestion in the  
17 district and the safety of pedestrians and the limited availability  
18 of funds require the promotion and development of public  
19 transportation and pedestrian facilities and systems, and the  
20 district will serve the public purpose of securing expanded and  
21 improved transportation and pedestrian facilities and systems.

22 (e) The district will:

23 (1) promote the health, safety, and general welfare of  
24 residents, employers, employees, visitors, and consumers in the  
25 district, and of the public;

26 (2) provide needed funding to preserve, maintain, and  
27 enhance the economic health and vitality of the district as a

1 community; and

2 (3) promote the health, safety, welfare, and enjoyment  
3 of the public by providing pedestrian ways and by landscaping and  
4 developing certain areas in the district, which are necessary for  
5 the restoration, preservation, and enhancement of scenic beauty.

6 (f) Pedestrian ways along or across a street, whether at  
7 grade or above or below the surface, and street lighting, street  
8 landscaping, and street art objects are parts of and necessary  
9 components of a street and are considered to be a street or road  
10 improvement.

11 (g) The district will not act as the agent or  
12 instrumentality of any private interest even though the district  
13 will benefit many private interests, as well as the public. (Acts  
14 78th Leg., R.S., Ch. 1157, Sec. 6.)

15 Sec. 3832.005. DISTRICT TERRITORY. (a) The district is  
16 composed of the territory described by Section 4, Chapter 1157,  
17 Acts of the 78th Legislature, Regular Session, 2003, as that  
18 territory may have been modified under:

- 19 (1) Subchapter J, Chapter 49, Water Code; or  
20 (2) other law.

21 (b) The boundaries and field notes of the district contained  
22 in Section 4, Chapter 1157, Acts of the 78th Legislature, Regular  
23 Session, 2003, form a closure. A mistake made in the field notes or  
24 in copying the field notes in the legislative process does not in  
25 any way affect the district's:

- 26 (1) organization, existence, or validity;  
27 (2) right to issue any type of bond for a purpose for

1 which the district is created or to pay the principal of and  
2 interest on a bond;

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

4 (4) legality or operation. (Acts 78th Leg., R.S., Ch.  
5 1157, Sec. 5; New.)

6 Sec. 3832.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
7 chapter shall be construed liberally in conformity with the  
8 findings and purposes set forth in this chapter. (Acts 78th Leg.,  
9 R.S., Ch. 1157, Sec. 8(a).)

10 Sec. 3832.007. EFFECT ON BROOKSHIRE-KATY DRAINAGE  
11 DISTRICT. The powers granted by this chapter do not affect the  
12 powers of the Brookshire-Katy Drainage District of Waller County.  
13 (Acts 78th Leg., R.S., Ch. 1157, Sec. 11(b).)

14 [Sections 3832.008-3832.050 reserved for expansion]

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 3832.051. COMPOSITION; TERMS. The district is  
17 governed by a board of five elected directors. Directors serve  
18 staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1157,  
19 Sec. 9(a).)

20 Sec. 3832.052. QUALIFICATIONS. (a) A person must meet the  
21 qualifications of Section 375.063, Local Government Code, to serve  
22 as a district director.

23 (b) Section 49.052, Water Code, does not apply to district  
24 directors. (Acts 78th Leg., R.S., Ch. 1157, Sec. 10.)

25 Sec. 3832.053. ELECTION DATE. Elections for directors  
26 shall be held on the uniform election date in May in even-numbered  
27 years. (Acts 78th Leg., R.S., Ch. 1157, Sec. 9(b).)

1           Sec. 3832.054. INITIAL DIRECTORS. (a) The initial board  
2 consists of the following persons:

- 3           (1) Julie Magness;
- 4           (2) Craig Artze;
- 5           (3) Julie Crum;
- 6           (4) Gary Tankersley; and
- 7           (5) Jennifer Kramer.

8           (b) Of the initial directors, the terms of the first three  
9 directors named in Subsection (a) expire on June 1, 2006, and the  
10 terms of the last two directors named in Subsection (a) expire on  
11 June 1, 2004.

12           (c) On the uniform election date in May 2004, the board  
13 shall hold an election for the directors whose terms expire on June  
14 1, 2004. On the uniform election date in May 2006, the board shall  
15 hold an election for the directors whose terms expire on June 1,  
16 2006.

17           (d) This section expires September 1, 2006. (Acts 78th  
18 Leg., R.S., Ch. 1157, Sec. 19.)

19           [Sections 3832.055-3832.100 reserved for expansion]

20                           SUBCHAPTER C. POWERS AND DUTIES

21           Sec. 3832.101. POWERS OF DISTRICT. The district has all  
22 powers provided by the general laws on road districts and road  
23 utility districts created under Section 52, Article III, Texas  
24 Constitution, and conservation and reclamation districts and  
25 municipal management districts created under Section 59, Article  
26 XVI, Texas Constitution, including:

- 27           (1) Chapters 257 and 441, Transportation Code;

1 (2) Chapter 375, Local Government Code; and

2 (3) Chapters 49 and 54, Water Code. (Acts 78th Leg.,  
3 R.S., Ch. 1157, Sec. 11(a).)

4 Sec. 3832.102. AGREEMENTS; GRANTS. (a) The district may  
5 make an agreement with or accept a gift, grant, or loan from any  
6 person.

7 (b) The implementation of a project is a governmental  
8 function or service for the purposes of Chapter 791, Government  
9 Code. (Acts 78th Leg., R.S., Ch. 1157, Sec. 12.)

10 Sec. 3832.103. LAW ENFORCEMENT SERVICES. To protect the  
11 public interest, the district may contract with a municipality or  
12 county to provide law enforcement services in the district for a  
13 fee. (Acts 78th Leg., R.S., Ch. 1157, Sec. 13.)

14 Sec. 3832.104. UTILITIES. (a) The district may not impose  
15 an impact fee or assessment on the property, including the  
16 equipment, rights-of-way, facilities, or improvements, of:

17 (1) an electric utility or a power generation company  
18 as defined by Section 31.002, Utilities Code;

19 (2) a gas utility as defined by Section 101.003 or  
20 121.001, Utilities Code;

21 (3) a telecommunications provider as defined by  
22 Section 51.002, Utilities Code; or

23 (4) a cable operator as defined by 47 U.S.C. Section  
24 522, as amended.

25 (b) The district shall bear the sole expense of the  
26 relocation, rerouting, or removal of electric, gas, water, sewer,  
27 communications, or other public utilities as required or requested

1 by the district in the exercise of its powers under this chapter.  
2 (Acts 78th Leg., R.S., Ch. 1157, Sec. 20.)

3 [Sections 3832.105-3832.150 reserved for expansion]

4 SUBCHAPTER D. FINANCIAL PROVISIONS

5 Sec. 3832.151. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
6 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
7 tax, assessment, or impact fee and use the proceeds of the tax,  
8 assessment, or impact fee for:

9 (1) any district purpose, including the payment of  
10 debt or other contractual obligations; or

11 (2) the payment of maintenance and operating expenses.  
12 (Acts 78th Leg., R.S., Ch. 1157, Sec. 14.)

13 Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
14 district must hold an election in the manner provided by Chapters 49  
15 and 54, Water Code, to obtain voter approval before the district  
16 imposes a maintenance tax or issues bonds payable from ad valorem  
17 taxes.

18 (b) The board may include more than one purpose in a single  
19 proposition at an election. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
20 15.)

21 Sec. 3832.153. MAINTENANCE AND OPERATION TAX. (a) The  
22 district may impose an annual ad valorem tax on taxable property in  
23 the district for any district purpose, including to:

24 (1) maintain and operate the district, including  
25 improvements constructed or acquired by the district; or

26 (2) provide a service.

27 (b) The board shall determine the tax rate. (Acts 78th



1 Leg., R.S., Ch. 1157, Sec. 16.)

2 Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
3 The board by resolution may impose an assessment for any purpose  
4 authorized by this chapter.

5 (b) An assessment, a reassessment, or an assessment  
6 resulting from an addition to or correction of the assessment roll  
7 by the district, penalties and interest on an assessment or  
8 reassessment, an expense of collection, and reasonable attorney's  
9 fees incurred by the district:

10 (1) are a first and prior lien against the property  
11 assessed;

12 (2) are superior to any other lien or claim other than  
13 a lien or claim for county, school district, or municipal ad valorem  
14 taxes; and

15 (3) are the personal liability of and a charge against  
16 the owners of the property even if the owners are not named in the  
17 assessment proceeding.

18 (c) The lien is effective from the date of the board's  
19 resolution imposing the assessment until the date the assessment is  
20 paid. The board may enforce the lien in the same manner that the  
21 board may enforce an ad valorem tax lien against real property.  
22 (Acts 78th Leg., R.S., Ch. 1157, Secs. 17(a), (c), (d).)

23 Sec. 3832.155. PETITION REQUIRED FOR FINANCING SERVICES AND  
24 IMPROVEMENTS. (a) The board may not finance a service or  
25 improvement project through an assessment under this chapter unless  
26 a written petition requesting that service or improvement has been  
27 filed with the board.

1 (b) The petition must be signed by:

2 (1) the owners of a majority of the assessed value of  
3 real property in the district that will be subject to the assessment  
4 according to the most recent certified tax appraisal roll for the  
5 county in which the property is located; or

6 (2) at least 25 owners of land in the district that  
7 will be subject to the assessment, if more than 25 persons own land  
8 in the district that will be subject to the assessment according to  
9 the most recent certified tax appraisal roll for the county in which  
10 the property is located. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
11 17(b).)

12 Sec. 3832.156. BONDS AND OTHER OBLIGATIONS. (a) The  
13 district may issue bonds or other obligations payable wholly or  
14 partly from ad valorem taxes, assessments, impact fees, revenue,  
15 grants, or other money of the district, or any combination of those  
16 sources of money, to pay for any authorized purpose of the district.

17 (b) In exercising the district's power to borrow, the  
18 district may issue a bond or other obligation in the form of a bond,  
19 note, certificate of participation or other instrument evidencing a  
20 proportionate interest in payments to be made by the district, or  
21 other type of obligation. (Acts 78th Leg., R.S., Ch. 1157, Sec.  
22 18.)

23 SECTION 1.04. Subtitle B, Title 5, Special District Local  
24 Laws Code, is amended by adding Chapter 5201 to read as follows:

25 CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 5201.001. DEFINITION

- 1 Sec. 5201.002. NATURE OF DISTRICT
- 2 Sec. 5201.003. LEGISLATIVE FINDINGS
- 3 Sec. 5201.004. DISTRICT TERRITORY
- 4 Sec. 5201.005. GENERAL POWER OF DISTRICT
- 5 Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW

6 [Sections 5201.007-5201.050 reserved for expansion]

7 SUBCHAPTER B. BONDS

- 8 Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS
- 9 Sec. 5201.052. USE OF BOND PROCEEDS LIMITED
- 10 Sec. 5201.053. SECURITY FOR BONDS
- 11 Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS
- 12 Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS
- 13 Sec. 5201.056. MATURITY

14 [Sections 5201.057-5201.100 reserved for expansion]

15 SUBCHAPTER C. TAXES

- 16 Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX

17 CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 5201.001. DEFINITION. In this chapter, "district"  
20 means Galveston County Road District No. 1. (New.)

21 Sec. 5201.002. NATURE OF DISTRICT. (a) Galveston County  
22 Road District No. 1 is a defined road district created under Section  
23 52, Article III, Texas Constitution, to:

24 (1) construct, maintain, or operate macadamized,  
25 graveled, or paved roads and turnpikes; or

26 (2) aid an activity described by Subdivision (1).

27 (b) The district is a body corporate and a taxing district

1 under the constitution and laws of this state. (Acts 55th Leg.,  
2 R.S., Ch. 66, Sec. 1.)

3 Sec. 5201.003. LEGISLATIVE FINDINGS. The legislature finds  
4 that all land and other property in the district will benefit from:

- 5 (1) the creation of the district; and
- 6 (2) the construction, acquisition, and maintenance of  
7 the improvements and facilities authorized by this chapter. (Acts  
8 55th Leg., R.S., Ch. 66, Secs. 6 (part), 10.)

9 Sec. 5201.004. DISTRICT TERRITORY. (a) The district is  
10 composed of the territory described by Section 2, Chapter 66, Acts  
11 of the 55th Legislature, Regular Session, 1957, as that territory  
12 may have been modified under other law.

13 (b) The Commissioners Court of Galveston County may  
14 redefine the boundaries of the district contained in Section 2,  
15 Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, to  
16 correct any error or omission in those boundaries. (Acts 55th Leg.,  
17 R.S., Ch. 66, Sec. 3; New.)

18 Sec. 5201.005. GENERAL POWER OF DISTRICT. (a) In this  
19 section, "road facility" means:

- 20 (1) a causeway, bridge, or tunnel;
- 21 (2) an immediate approach or a necessary fixture,  
22 accessory, or equipment for a facility described by Subdivision  
23 (1); or
- 24 (3) any combination of those facilities described by  
25 Subdivision (1) or (2).

26 (b) The district may construct, acquire, improve, operate,  
27 or maintain a road facility:

1 (1) in the district;

2 (2) from a point in the district to a point outside of  
3 the district in Galveston County; or

4 (3) from a point in the district in, over, through, or  
5 under the Gulf of Mexico or a bay or inlet opening into the gulf to a  
6 point outside of the district and located in another county. (Acts  
7 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

8 Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW. (a) To  
9 the extent it can be made applicable, Chapter 284, Transportation  
10 Code, applies to:

11 (1) the issuance of bonds under this chapter; and

12 (2) the operation and maintenance of a road facility  
13 constructed, acquired, or improved as provided by Section 5201.005.

14 (b) The district has all the rights, powers, and duties over  
15 a road facility authorized by Section 5201.005 as are granted to or  
16 imposed on a county by Chapter 284, Transportation Code. (Acts 55th  
17 Leg., R.S., Ch. 66, Sec. 5 (part).)

18 [Sections 5201.007-5201.050 reserved for expansion]

19 SUBCHAPTER B. BONDS

20 Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS. (a) The  
21 district may issue bonds to:

22 (1) construct, maintain, and operate macadamized,  
23 graveled, or paved roads and turnpikes; and

24 (2) aid an activity described by Subdivision (1).

25 (b) The Commissioners Court of Galveston County may issue  
26 bonds for the district in the same manner as provided by general law  
27 for road district bonds. (Acts 55th Leg., R.S., Ch. 66, Secs. 4

1 (part), 5 (part).)

2 Sec. 5201.052. USE OF BOND PROCEEDS LIMITED. The proceeds  
3 of bonds issued under this chapter may be spent only for the  
4 construction, acquisition, improvement, operation, or maintenance  
5 of a road facility as authorized by Section 5201.005. (Acts 55th  
6 Leg., R.S., Ch. 66, Sec. 5 (part).)

7 Sec. 5201.053. SECURITY FOR BONDS. Bonds issued under this  
8 chapter may be secured by:

9 (1) solely a pledge of revenues, in the manner and to  
10 the extent prescribed for a county by Chapter 284, Transportation  
11 Code;

12 (2) a pledge of, and making the bonds payable from, an  
13 ad valorem tax authorized by Section 52(b), Article III, Texas  
14 Constitution;

15 (3) designating a portion of the bonds to be secured  
16 solely by a pledge of revenues as provided by Subdivision (1) and a  
17 portion of the bonds to be secured by a pledge of an ad valorem tax  
18 as provided by Subdivision (2); or

19 (4) a combination of the methods prescribed by  
20 Subdivisions (1) and (2) through which all of the bonds are to be  
21 supported and secured by a pledge of revenue and ad valorem tax, in  
22 the manner and to the extent prescribed for a county by Chapter 284,  
23 Transportation Code. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

24 Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS. (a)  
25 Bonds wholly or partly supported by an ad valorem tax may be issued  
26 only if approved by a two-thirds vote of the qualified voters of the  
27 district voting at an election held for that purpose.

1 (b) The district may impose an ad valorem tax to pay bonds  
2 issued under this chapter as authorized by Section 52(b), Article  
3 III, Texas Constitution.

4 (c) A hearing is not required on a petition for a bond  
5 election under this section. (Acts 55th Leg., R.S., Ch. 66, Secs. 4  
6 (part), 5 (part), 6 (part).)

7 Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS. The  
8 district may issue bonds payable solely from revenue without:

9 (1) a petition for a bond election; or

10 (2) an election. (Acts 55th Leg., R.S., Ch. 66, Sec. 6  
11 (part).)

12 Sec. 5201.056. MATURITY. Bonds issued under this chapter  
13 must mature not later than 40 years after their date of issuance.  
14 (Acts 55th Leg., R.S., Ch. 66, Secs. 6 (part), 7 (part).)

15 [Sections 5201.057-5201.100 reserved for expansion]

16 SUBCHAPTER C. TAXES

17 Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX. (a) If  
18 approved by a two-thirds vote of the qualified voters of the  
19 district voting at an election held for that purpose, the  
20 Commissioners Court of Galveston County may impose an annual ad  
21 valorem tax at a rate not to exceed 20 cents on each \$100 valuation  
22 of taxable property in the district for the maintenance of the  
23 district's improvements and facilities.

24 (b) An election under Subsection (a):

25 (1) does not require a petition;

26 (2) must be held in the same manner prescribed for a  
27 bond election; and

1 (3) may be held at the same time as a bond election.

2 (c) Subsequent elections may be held on increasing,  
3 reducing, or abating a maintenance tax not to exceed the limits  
4 prescribed by Subsection (a). (Acts 55th Leg., R.S., Ch. 66, Sec.  
5 9.)

6 SECTION 1.05. Subtitle D, Title 6, Special District Local  
7 Laws Code, is amended by adding Chapters 7501 and 7502 to read as  
8 follows:

9 CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7501.001. DEFINITION

12 Sec. 7501.002. NATURE OF DISTRICT

13 Sec. 7501.003. LEGISLATIVE FINDINGS

14 Sec. 7501.004. DISTRICT TERRITORY

15 Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW

16 [Sections 7501.006-7501.050 reserved for expansion]

17 SUBCHAPTER B. DISTRICT POWERS

18 Sec. 7501.051. GENERAL POWERS

19 CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 7501.001. DEFINITION. In this chapter, "district"  
22 means the Donna Irrigation District, Hidalgo County No. 1. (New.)

23 Sec. 7501.002. NATURE OF DISTRICT. (a) The district is a  
24 conservation and reclamation district in Hidalgo County, Texas,  
25 created under Section 59, Article XVI, Texas Constitution, for all  
26 purposes of that section, including:

27 (1) the reclamation and irrigation of the district's



1 arid, semiarid, and other land that needs irrigation; and

2 (2) the reclamation and drainage of the district's  
3 overflowed land and other land that needs drainage.

4 (b) The district is a political subdivision of this state.  
5 (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part);  
6 Acts 57th Leg., R.S., Ch. 133, Sec. 1 (part); Acts 57th Leg., R.S.,  
7 Ch. 247, Sec. 1 (part).)

8 Sec. 7501.003. LEGISLATIVE FINDINGS. The legislature  
9 finds that:

10 (1) the district is essential to accomplish the  
11 purposes of Section 59, Article XVI, Texas Constitution; and

12 (2) the creation of the district as a conservation and  
13 reclamation district:

14 (A) will result in:

15 (i) material benefits and improvements to  
16 district territory; and

17 (ii) the increase of the taxable value of  
18 property in the district;

19 (B) benefits all property in the district; and

20 (C) will result in material benefit to that  
21 section of the state. (Acts 41st Leg., 4th C.S., Ch. 26, S.L.,  
22 Secs. 1 (part), 10 (part), 12 (part).)

23 Sec. 7501.004. DISTRICT TERRITORY. The district is  
24 composed of the territory described by Section 1, Chapter 26,  
25 Special Laws, Acts of the 41st Legislature, 4th Called Session,  
26 1930; Section 1, Chapter 108, Acts of the 56th Legislature, Regular  
27 Session, 1959; Section 1, Chapter 133, Acts of the 57th

1 Legislature, Regular Session, 1961; and Section 1, Chapter 247,  
2 Acts of the 57th Legislature, Regular Session, 1961, as that  
3 territory may have been modified under:

4 (1) Chapter 25, General Laws, Acts of the 39th  
5 Legislature, Regular Session, 1925 (Article 7880-1 et seq.,  
6 Vernon's Texas Civil Statutes), before August 30, 1971;

7 (2) Chapter 3, General Laws, Acts of the 46th  
8 Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's  
9 Texas Civil Statutes), before August 30, 1971;

10 (3) Subchapter O, Chapter 51, Water Code, before  
11 December 15, 1978;

12 (4) Subchapter J, Chapter 49, Water Code, as  
13 restricted by Section 7501.005 of this code;

14 (5) Subchapter N, Chapter 58, Water Code; or

15 (6) other law. (New.)

16 Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW. Sections  
17 49.303-49.308 and 58.501-58.509, Water Code, do not apply to the  
18 district. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Sec. 1 (part).)

19 [Sections 7501.006-7501.050 reserved for expansion]

20 SUBCHAPTER B. DISTRICT POWERS

21 Sec. 7501.051. GENERAL POWERS. The district has:

22 (1) the powers of a conservation and reclamation  
23 district under Section 59, Article XVI, Texas Constitution, and the  
24 general laws of this state; and

25 (2) the powers of government and the authority to  
26 exercise the rights, privileges, and functions that are conferred  
27 by this chapter and the general laws of this state. (Acts 41st

1 Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part).)

2 CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY

3 OF COMANCHE COUNTY, TEXAS

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 7502.001. DEFINITIONS

6 Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL

7 SUBDIVISION

8 Sec. 7502.003. LEGISLATIVE FINDINGS

9 Sec. 7502.004. AUTHORITY BOUNDARIES

10 [Sections 7502.005-7502.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 7502.051. COMPOSITION

13 Sec. 7502.052. QUALIFICATIONS

14 Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION;

15 TERM

16 Sec. 7502.054. RECOMMENDATION BY LANDOWNERS

17 Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING

18 REJECTION BY COMMISSION

19 Sec. 7502.056. VACANCIES

20 Sec. 7502.057. COMPENSATION

21 Sec. 7502.058. REGULAR BOARD MEETINGS

22 [Sections 7502.059-7502.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES,

25 FUNCTIONS, AND DUTIES

26 Sec. 7502.102. GENERAL POWERS OF BOARD

27 Sec. 7502.103. AWARD OF CERTAIN CONTRACTS

1 Sec. 7502.104. EXCLUSION OF LAND

2 Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE

3 [Sections 7502.106-7502.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5 Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS

6 DISTRICT

7 Sec. 7502.152. AD VALOREM TAXES PROHIBITED

8 Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES

9 [Sections 7502.154-7502.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS

12 Sec. 7502.202. PURPOSE OF BONDS

13 Sec. 7502.203. SECURITY FOR REVENUE BONDS

14 Sec. 7502.204. MATURITY OF BONDS

15 Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON

16 BONDS

17 Sec. 7502.206. VALIDATION OF BONDS

18 CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY

19 OF COMANCHE COUNTY, TEXAS

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 7502.001. DEFINITIONS. In this chapter:

22 (1) "Authority" means the Lake Proctor Irrigation  
23 Authority of Comanche County, Texas.

24 (2) "Board" means the board of directors of the  
25 authority.

26 (3) "Commission" means the Texas Commission on  
27 Environmental Quality.

1           (4) "Director" means a member of the board. (Acts 71st  
2 Leg., R.S., Ch. 522, Sec. 1 (part); New.)

3           Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL SUBDIVISION.  
4 The Lake Proctor Irrigation Authority of Comanche County, Texas,  
5 is:

6           (1) a conservation and reclamation district under  
7 Section 59, Article XVI, Texas Constitution; and

8           (2) a political subdivision of this state. (Acts 71st  
9 Leg., R.S., Ch. 522, Sec. 1 (part).)

10          Sec. 7502.003. LEGISLATIVE FINDINGS. The legislature finds  
11 that:

12          (1) this chapter will accomplish the purposes of  
13 Section 59, Article XVI, Texas Constitution;

14          (2) all land and other property included in the  
15 authority's boundaries will benefit from the works, projects, and  
16 operations of the authority; and

17          (3) the authority serves a public use and benefit.  
18 (Acts 71st Leg., R.S., Ch. 522, Sec. 7 (part).)

19          Sec. 7502.004. AUTHORITY BOUNDARIES. (a) The authority is  
20 composed of the territory described by Section 4(a), Chapter 522,  
21 Acts of the 71st Legislature, Regular Session, 1989, as that  
22 territory may have been modified under:

23           (1) Subchapter N, Chapter 58, Water Code;

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

25           (3) other law.

26          (b) The legislature finds that the boundaries of the  
27 authority form a closure. If any mistake exists in the description

1 of the authority's boundaries, the mistake does not affect:

2 (1) the authority's organization, existence, or  
3 validity; or

4 (2) the exercise of a power, function, or purpose by  
5 the authority under this chapter. (Acts 71st Leg., R.S., Ch. 522,  
6 Sec. 4(b); New.)

7 [Sections 7502.005-7502.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 7502.051. COMPOSITION. The board consists of five  
10 directors. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(a) (part).)

11 Sec. 7502.052. QUALIFICATIONS. A director must:

12 (1) be at least 18 years of age; and

13 (2) own land, or an interest in land in the authority,  
14 directly or as an interest in an entity owning that land at the time  
15 of the person's appointment as a director. (Acts 71st Leg., R.S.,  
16 Ch. 522, Sec. 8(a) (part).)

17 Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION;  
18 TERM. The commission shall:

19 (1) appoint a person recommended to the board under  
20 Section 7502.054 or 7502.055 for a four-year term; or

21 (2) reject the person recommended. (Acts 71st Leg.,  
22 R.S., Ch. 522, Secs. 8(b) (part), (c) (part).)

23 Sec. 7502.054. RECOMMENDATION BY LANDOWNERS. (a) The  
24 board shall seek recommendations from the landowners in the  
25 authority for the appointment of directors. The board shall take a  
26 recommendation for each director whose term expires in January  
27 following the annual board meeting held in odd-numbered years.

1 (b) To determine a recommendation, the board shall conduct a  
2 written poll of the landowners in the authority in attendance at the  
3 annual board meeting held in odd-numbered years.

4 (c) For each recommendation taken, a landowner is entitled  
5 to one vote for each acre of land the person owns in the authority.  
6 Cumulative voting for recommendations is not permitted.

7 (d) The board shall submit to the Texas Commission on  
8 Environmental Quality the name of the person receiving the most  
9 votes for each recommendation taken. (Acts 71st Leg., R.S., Ch.  
10 522, Sec. 8(c) (part).)

11 Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING  
12 REJECTION BY COMMISSION. (a) If the commission rejects a  
13 recommendation submitted by the board, the board shall hold a  
14 special meeting of landowners not later than the 20th day after the  
15 date notice of the meeting is mailed to the landowners in the  
16 authority.

17 (b) At the special meeting, the board shall conduct a  
18 written poll and submit the results of the poll to the commission in  
19 the same manner as the poll conducted at the annual meeting.

20 (c) The board shall hold subsequent special meetings as  
21 needed for the appointment of the appropriate number of directors.  
22 (Acts 71st Leg., R.S., Ch. 522, Sec. 8(c) (part).)

23 Sec. 7502.056. VACANCIES. A vacancy on the board is filled  
24 for the remainder of the unexpired term by appointment by:

25 (1) the remaining directors, if three or more  
26 directors remain on the board; or

27 (2) the Texas Commission on Environmental Quality, if

1 fewer than three directors remain on the board. (Acts 71st Leg.,  
2 R.S., Ch. 522, Sec. 8(d).)

3 Sec. 7502.057. COMPENSATION. Unless the board by  
4 resolution increases the fee to an amount authorized by Section  
5 49.060, Water Code, each director shall receive a fee of \$50 for  
6 each day spent performing official duties as a director, not to  
7 exceed \$200 per month. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(f)  
8 (part).)

9 Sec. 7502.058. REGULAR BOARD MEETINGS. The board shall  
10 hold regular meetings at least annually. (Acts 71st Leg., R.S., Ch.  
11 522, Sec. 8(g) (part).)

12 [Sections 7502.059-7502.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES,  
15 FUNCTIONS, AND DUTIES. The authority has the rights, powers,  
16 privileges, functions, and duties provided by general law,  
17 including Chapter 58, Water Code, applicable to irrigation  
18 districts. (Acts 71st Leg., R.S., Ch. 522, Sec. 2 (part).)

19 Sec. 7502.102. GENERAL POWERS OF BOARD. The board shall  
20 provide for:

21 (1) the proper execution of all contracts,  
22 disbursements, and transfers;

23 (2) the investment of money; and

24 (3) the handling of any other matter authorized by the  
25 board and recorded in the official minutes of the authority. (Acts  
26 71st Leg., R.S., Ch. 522, Sec. 8(e) (part).)

27 Sec. 7502.103. AWARD OF CERTAIN CONTRACTS. (a) The



1 authority may award a contract for more than \$25,000 for the  
2 construction of water system improvements or the purchase of  
3 materials and machinery only after publishing notice of the  
4 proposed construction or purchase contract in a newspaper of  
5 general circulation in Comanche County.

6 (b) Notice under Subsection (a) must be published once a  
7 week for two consecutive weeks, with the first publication  
8 occurring at least 14 days before the date sealed bids are opened.  
9 (Acts 71st Leg., R.S., Ch. 522, Sec. 9.)

10 Sec. 7502.104. EXCLUSION OF LAND. (a) If the authority has  
11 no outstanding bonds, the board may exclude land or other property  
12 from the authority under Subchapter J, Chapter 49, Water Code.

13 (b) The board may require a petitioner for exclusion to:

14 (1) pay the authority:

15 (A) the fair market value of submains, lateral  
16 lines, surface lines, and emitters located on land disannexed from  
17 the authority; and

18 (B) the actual cost of disconnecting submains,  
19 lateral lines, surface lines, and emitters located on land  
20 disannexed from the authority; and

21 (2) provide, without charge, an easement across the  
22 excluded land if, in the opinion of the board, the easement is  
23 necessary for the authority to continue to serve other property in  
24 the authority effectively and efficiently.

25 (c) For purposes of Subsection (b), the fair market value  
26 must be determined by an independent appraisal unless the fair  
27 market value is mutually agreed on. (Acts 71st Leg., R.S., Ch. 522,

1 Secs. 6(b), (c), 13(a) (part), (b).)

2           Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE. (a) If the  
3 board finds that the failure or refusal of a landowner receiving  
4 water from the authority to make repairs or improvements to any of  
5 the landowner's water lines connected to the authority's water  
6 system adversely affects the system, the board may:

7                   (1) discontinue service to the land; or

8                   (2) give notice to the landowner that the board will  
9 make necessary repairs or improvements and demand payment from the  
10 landowner for the costs incurred unless the landowner makes the  
11 repairs or improvements not later than the 10th day after the date  
12 the landowner receives the notice.

13           (b) If the board discontinues service to the land, the  
14 authority shall immediately give notice to the landowner.

15           (c) The notice and the 10-day period for the landowner to  
16 make repairs or improvements under Subsection (a)(2) does not apply  
17 if there is an urgent necessity to make the repairs or improvements  
18 immediately to protect and conserve the authority's water supply.  
19 (Acts 71st Leg., R.S., Ch. 522, Sec. 14.)

20                   [Sections 7502.106-7502.150 reserved for expansion]

21                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22           Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS DISTRICT.  
23 The authority may use any bond or bond retirement funds not canceled  
24 under Section 3, Chapter 522, Acts of the 71st Legislature, Regular  
25 Session, 1989, for any lawful purpose. (Acts 71st Leg., R.S., Ch.  
26 522, Sec. 3 (part).)

27           Sec. 7502.152. AD VALOREM TAXES PROHIBITED. The authority

1 may not impose an ad valorem tax. (Acts 71st Leg., R.S., Ch. 522,  
2 Sec. 3 (part).)

3 Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES. (a)  
4 Before October 1 of each year, or as soon after that date as  
5 practicable, the board shall:

6 (1) estimate the total costs and expenses to be  
7 incurred by the authority during the ensuing fiscal year for the  
8 proper maintenance and operation of the authority's facilities,  
9 including any necessary reserves and replacement funds; and

10 (2) impose assessments to provide money to pay those  
11 costs and expenses.

12 (b) The board, in its discretion, shall determine the costs  
13 and expenses that will be paid by:

14 (1) an assessment on all of the land in the authority  
15 on a per acre basis; and

16 (2) an assessment on a prorated basis on all persons  
17 who use or apply to use the authority's water.

18 (c) The board shall:

19 (1) determine the time at which payment of an  
20 assessment is due;

21 (2) provide a penalty for late payment;

22 (3) provide for collection charges and termination of  
23 water service for delinquent accounts;

24 (4) allow an assessment to be paid in periodic  
25 installments;

26 (5) allow a reasonable discount for lump-sum payment  
27 of an assessment; and

1 (6) adopt any other rules regarding assessments and  
2 use of the authority's water the board determines necessary for  
3 proper and efficient operation and maintenance of the authority's  
4 facilities. (Acts 71st Leg., R.S., Ch. 522, Sec. 11.)

5 [Sections 7502.154-7502.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS. The board  
8 may issue revenue bonds of the authority. (Acts 71st Leg., R.S.,  
9 Ch. 522, Sec. 12(a) (part).)

10 Sec. 7502.202. PURPOSE OF BONDS. Bonds sold under this  
11 subchapter must be for the purpose of:

12 (1) constructing improvements, additions, and  
13 extensions to the authority's water system and rebuilding,  
14 replacing, or protecting the water system as required to provide  
15 efficient service;

16 (2) acquiring necessary sites and easements; and

17 (3) paying any incidental costs, professional fees,  
18 and costs of issuance of the bonds. (Acts 71st Leg., R.S., Ch. 522,  
19 Sec. 12(a) (part).)

20 Sec. 7502.203. SECURITY FOR REVENUE BONDS. (a) The  
21 principal of and interest on revenue bonds issued under this  
22 subchapter and the redemption price of the bonds must be secured by  
23 and payable solely from a pledge of all or any part of designated  
24 revenue resulting from the operations of the authority's water  
25 system.

26 (b) The board additionally may secure revenue bonds issued  
27 under this subchapter by a deed of trust or mortgage lien on all or

1 part of the physical facilities of the authority as provided by  
2 Section 54.504, Water Code.

3 (c) The holders of revenue bonds issued under this  
4 subchapter may not demand payment from money raised or to be raised  
5 from taxation. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

6 Sec. 7502.204. MATURITY OF BONDS. Revenue bonds issued  
7 under this subchapter may be issued to mature within 30 years after  
8 the date of issuance. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a)  
9 (part).)

10 Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON BONDS.  
11 (a) Capitalized interest on bonds issued under this subchapter may  
12 not exceed two years.

13 (b) A discount on bonds issued under this subchapter may not  
14 exceed five percent of the par value of the bonds. (Acts 71st Leg.,  
15 R.S., Ch. 522, Sec. 12(a) (part).)

16 Sec. 7502.206. VALIDATION OF BONDS. The board may file suit  
17 to validate bonds in the manner provided by Section 58.453, Water  
18 Code. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

19 SECTION 1.06. Subtitle F, Title 6, Special District Local  
20 Laws Code, is amended by adding Chapters 8104, 8105, and 8106 to  
21 read as follows:

22 CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 8104.001. DEFINITIONS

25 Sec. 8104.002. NATURE OF AUTHORITY

26 Sec. 8104.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

27 Sec. 8104.004. STATE POLICY REGARDING WASTE DISPOSAL

1 Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT  
2 WITH AUTHORITY

3 Sec. 8104.006. RELATIONSHIP TO GULF COAST WASTE  
4 DISPOSAL AUTHORITY

5 Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS

6 Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND  
7 FUNCTIONS OF MUNICIPAL UTILITY  
8 DISTRICTS

9 [Sections 8104.009-8104.050 reserved for expansion]

10 SUBCHAPTER B. DISTRICT TERRITORY

11 Sec. 8104.051. DISTRICT TERRITORY

12 Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS

13 Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING

14 [Sections 8104.054-8104.100 reserved for expansion]

15 SUBCHAPTER C. BOARD OF DIRECTORS

16 Sec. 8104.101. COMPOSITION

17 Sec. 8104.102. ELIGIBILITY TO SERVE

18 Sec. 8104.103. TERMS

19 Sec. 8104.104. VACANCIES

20 Sec. 8104.105. OFFICERS

21 Sec. 8104.106. DIRECTOR'S BOND

22 Sec. 8104.107. VOTING REQUIREMENT

23 Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS

24 [Sections 8104.109-8104.150 reserved for expansion]

25 SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

26 Sec. 8104.151. GENERAL MANAGER

27 Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER

1 Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN  
2 EMPLOYEES

3 Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR  
4 ADMINISTRATIVE FUNCTIONS

5 [Sections 8104.155-8104.200 reserved for expansion]

6 SUBCHAPTER E. POWERS AND DUTIES

7 Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION

8 Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND  
9 DISTRIBUTION

10 Sec. 8104.203. WASTE SERVICES

11 Sec. 8104.204. CONTRACTS

12 Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT  
13 AND DISPOSAL FACILITIES

14 Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT  
15 PREVENTED

16 Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE  
17 CONTRACTS

18 Sec. 8104.208. COST OF RELOCATING PROPERTY

19 [Sections 8104.209-8104.250 reserved for expansion]

20 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

21 Sec. 8104.251. FISCAL YEAR

22 Sec. 8104.252. AUTHORITY DEPOSITORY

23 Sec. 8104.253. INVESTMENT AUTHORITY

24 Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES

25 Sec. 8104.255. GRANTS AND ASSISTANCE

26 Sec. 8104.256. PROPERTY TAX PROHIBITION

27 [Sections 8104.257-8104.300 reserved for expansion]

1                                   SUBCHAPTER G. BONDS AND NOTES

2   Sec. 8104.301.   BORROWING THROUGH BONDS OR NOTES

3   Sec. 8104.302.   REFUNDING BONDS

4   Sec. 8104.303.   FORM OF BONDS; LIABILITY

5   Sec. 8104.304.   MATURITY

6   Sec. 8104.305.   RESOLUTION AND TRUST INDENTURE

7                                   PROVISIONS

8   Sec. 8104.306.   SECURITY FOR BONDS OR NOTES

9   Sec. 8104.307.   TRUST INDENTURE

10   Sec. 8104.308.   ADDITIONAL SECURITY

11   Sec. 8104.309.   REVIEW AND APPROVAL OF CONTRACTS

12                                   RELATING TO BONDS OR NOTES

13   Sec. 8104.310.   BONDS AND NOTES EXEMPT FROM TAXATION

14   Sec. 8104.311.   BOND OR NOTE SALE PROCEEDS

15   Sec. 8104.312.   INVESTMENT OF FUNDS AND USE OF PROCEEDS

16   Sec. 8104.313.   APPOINTMENT OF RECEIVER

17   Sec. 8104.314.   ENFORCEMENT

18   Sec. 8104.315.   STATE PLEDGE REGARDING RIGHTS AND

19                                   REMEDIES OF BOND OR NOTE HOLDERS

20   Sec. 8104.316.   LIMITATION ON RIGHT OF BOND OR NOTE

21                                   HOLDERS

22                                   CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

23                                   SUBCHAPTER A. GENERAL PROVISIONS

24           Sec. 8104.001.   DEFINITIONS. In this chapter:

25                   (1) "Authority" means the Baytown Area Water  
26   Authority.

27                   (2) "Board" means the authority's board of directors.



1 (Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part); New.)

2           Sec. 8104.002. NATURE OF AUTHORITY. The Baytown Area Water  
3 Authority is a conservation and reclamation district in Harris  
4 County created under Section 59, Article XVI, Texas Constitution.  
5 (Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part).)

6           Sec. 8104.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a)  
7 The authority is created to serve a public use and benefit.

8           (b) All land and other property included in the authority  
9 and land and property that feasibly may be served by the authority  
10 will benefit from the works and projects to be accomplished by the  
11 authority under powers conferred by Section 59, Article XVI, Texas  
12 Constitution.

13           (c) The creation of the authority is essential to  
14 accomplish the purposes of Section 59, Article XVI, Texas  
15 Constitution. (Acts 63rd Leg., R.S., Ch. 600, Secs. 1 (part), 3.)

16           Sec. 8104.004. STATE POLICY REGARDING WASTE DISPOSAL. The  
17 powers and functions conferred on the authority are subject to the  
18 state policy of encouraging the development and use of integrated  
19 area-wide waste collection, treatment, and disposal systems to  
20 serve the waste disposal needs of the state's residents, if  
21 integrated systems can reasonably be provided for an area, so as to  
22 avoid the economic burden on residents and the effect on state water  
23 quality caused by the construction and operation of numerous small  
24 waste collection, treatment, and disposal facilities. (Acts 63rd  
25 Leg., R.S., Ch. 600, Sec. 5, Subsec. A (part).)

26           Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT WITH  
27 AUTHORITY. To encourage the policy provided by Section 8104.004

1 and to prevent wasteful duplication, each conservation and  
2 reclamation district that is created in the authority after June  
3 15, 1973, shall contract with the authority to provide facilities  
4 and services that the authority is authorized to provide under this  
5 chapter if the authority:

6 (1) has those facilities and services; or

7 (2) determines it can provide those facilities and  
8 services. (Acts 63rd Leg., R.S., Ch. 600, Sec. 9, Subsec. B  
9 (part).)

10 Sec. 8104.006. RELATIONSHIP TO GULF COAST WASTE DISPOSAL  
11 AUTHORITY. The rights, powers, privileges, and functions granted  
12 to the authority under this chapter are subject to the powers  
13 granted to the Gulf Coast Waste Disposal Authority in Chapter 409,  
14 Acts of the 61st Legislature, Regular Session, 1969 (Article  
15 7621d-2, Vernon's Texas Civil Statutes), to provide disposal  
16 systems. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. E (part).)

17 Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS. This  
18 chapter does not prevent the organization of or a change in the  
19 boundaries of a conservation and reclamation district in the  
20 authority as authorized by Section 52, Article III, or Section 59,  
21 Article XVI, Texas Constitution. (Acts 63rd Leg., R.S., Ch. 600,  
22 Sec. 9, Subsec. B (part).)

23 Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS OF  
24 MUNICIPAL UTILITY DISTRICTS. The authority has all of the rights,  
25 powers, privileges, and functions provided by the general laws of  
26 this state applicable to municipal utility districts, including  
27 Chapter 54, Water Code. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5,

1 Subsec. A (part).)

2 [Sections 8104.009-8104.050 reserved for expansion]

3 SUBCHAPTER B. DISTRICT TERRITORY

4 Sec. 8104.051. DISTRICT TERRITORY. (a) The authority is  
5 composed of the territory described by Section 4, Chapter 600, Acts  
6 of the 63rd Legislature, Regular Session, 1973, as that territory  
7 may have been modified under:

8 (1) Section 8104.052 or 8104.053 or their predecessor  
9 statutes, former Sections 7 and 8, Chapter 600, Acts of the 63rd  
10 Legislature, Regular Session, 1973;

11 (2) Subchapter H, Chapter 54, Water Code;

12 (3) Subchapter J, Chapter 49, Water Code; or

13 (4) other law.

14 (b) The boundaries and field notes of the authority  
15 contained in Section 4, Chapter 600, Acts of the 63rd Legislature,  
16 Regular Session, 1973, form a closure. A mistake made in the field  
17 notes or in copying the field notes in the legislative process does  
18 not affect:

19 (1) the authority's organization, existence, or  
20 validity;

21 (2) the authority's right to issue revenue bonds or  
22 revenue refunding bonds for a purpose for which the authority is  
23 created or to pay the principal of and interest on the bonds; or

24 (3) the legality or operation of the authority or the  
25 board. (Acts 63rd Leg., R.S., Ch. 600, Sec. 2; New.)

26 Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS. (a) Land  
27 may be added or annexed to the authority under Subchapter J, Chapter

1 49, and Subchapter H, Chapter 54, Water Code:

2 (1) without the consent of any municipality under  
3 Section 42.042, Local Government Code; and

4 (2) regardless of whether the authority has issued  
5 revenue bonds.

6 (b) A change in the authority's boundaries under this  
7 section does not affect the validity of the authority's bonds.  
8 (Acts 63rd Leg., R.S., Ch. 600, Sec. 8.)

9 Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING. (a) The  
10 board is not required to call or hold a hearing on the exclusion of  
11 land or other property from the authority.

12 (b) The board on its own motion may call and hold one or more  
13 hearings on the exclusion of land or other property from the  
14 authority in the manner provided by general law. (Acts 63rd Leg.,  
15 R.S., Ch. 600, Sec. 7 (part).)

16 [Sections 8104.054-8104.100 reserved for expansion]

17 SUBCHAPTER C. BOARD OF DIRECTORS

18 Sec. 8104.101. COMPOSITION. The authority is governed by a  
19 board of five directors appointed by the Baytown City Council.  
20 (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

21 Sec. 8104.102. ELIGIBILITY TO SERVE. (a) One director must  
22 reside outside the city limits of the city of Baytown but in the  
23 authority's boundaries.

24 (b) A person serving as a director may not serve during the  
25 person's term as a member of the Baytown City Council. (Acts 63rd  
26 Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

27 Sec. 8104.103. TERMS. Directors serve staggered terms of

1 two years with the terms of the directors serving Positions 1 and 2  
2 expiring September 1 of each even-numbered year and the terms of the  
3 directors serving Positions 3, 4, and 5 expiring September 1 of each  
4 odd-numbered year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec.  
5 A (part).)

6 Sec. 8104.104. VACANCIES. The Baytown City Council shall  
7 fill any vacancy occurring on the board by appointing a director for  
8 the unexpired term. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10,  
9 Subsec. A (part).)

10 Sec. 8104.105. OFFICERS. (a) The board shall elect a  
11 president, vice president, secretary, and any other officers the  
12 board considers necessary at the board's first meeting:

13 (1) in September of each year; or

14 (2) after the annual vacancies are filled as provided  
15 by this subchapter and the newly appointed directors are qualified.

16 (b) When the president is absent or fails or declines to  
17 act, the vice president shall perform all duties and exercise all  
18 power this chapter or general law gives the president. (Acts 63rd  
19 Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

20 Sec. 8104.106. DIRECTOR'S BOND. (a) A director shall  
21 execute a bond for \$5,000 conditioned on the faithful performance  
22 of the director's duties.

23 (b) The bond must be recorded in a record kept for that  
24 purpose in the authority's office. (Acts 63rd Leg., R.S., Ch. 600,  
25 Sec. 10, Subsec. B (part).)

26 Sec. 8104.107. VOTING REQUIREMENT. The concurrence of a  
27 majority of the directors who are present and voting at a board

1 meeting is sufficient for matters relating to the authority's  
2 business, including:

- 3 (1) letting construction work and related matters; and
- 4 (2) purchasing existing facilities. (Acts 63rd Leg.,  
5 R.S., Ch. 600, Sec. 10, Subsec. E.)

6 Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS. An order  
7 adopted or other action taken at a board meeting at which the  
8 president is absent may be signed by:

- 9 (1) the vice president; or
- 10 (2) the president with board authorization. (Acts  
11 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

12 [Sections 8104.109-8104.150 reserved for expansion]

13 SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

14 Sec. 8104.151. GENERAL MANAGER. (a) The city manager of  
15 the City of Baytown is the authority's general manager.

16 (b) If the position of city manager is abolished, the chief  
17 executive officer of the City of Baytown or the officer's designee  
18 is the authority's general manager.

19 (c) The authority's general manager serves without  
20 compensation paid by the board. (Acts 63rd Leg., R.S., Ch. 600,  
21 Sec. 11, Subsec. A.)

22 Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER. (a)  
23 The general manager is the authority's chief executive officer.

24 (b) The general manager, under policies established by the  
25 board, shall:

- 26 (1) administer the board's directives;
- 27 (2) keep the authority's records, including minutes of

- 1 board meetings;
- 2 (3) coordinate with state, federal, and local  
3 agencies;
- 4 (4) develop plans and programs for the board's  
5 approval;
- 6 (5) formulate a budget for the authority's fiscal  
7 year, as provided by this chapter, subject to the approval of the  
8 board and the Baytown City Council;
- 9 (6) hire, supervise, train, and discharge the  
10 authority's employees;
- 11 (7) contract for or retain technical, scientific,  
12 legal, fiscal, and other professional services; and
- 13 (8) perform other duties assigned by the board.

14 (c) At the board's direction, the general manager may  
15 execute a contract, including a construction contract, the board  
16 enters into for the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec.  
17 10, Subsec. D; Sec. 11, Subsec. B.)

18 Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN  
19 EMPLOYEES. (a) The general manager and each employee of the  
20 authority charged with the collection, custody, or payment of the  
21 authority's money shall execute a fidelity bond.

22 (b) The board must approve the form, amount, and surety of  
23 each bond.

24 (c) The authority shall pay the premium on each bond. (Acts  
25 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. C.)

26 Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR  
27 ADMINISTRATIVE FUNCTIONS. (a) In this section, "administrative

1 functions" has the meaning assigned by Section 791.003, Government  
2 Code.

3 (b) The authority shall offer to enter into an interlocal  
4 contract under Chapter 791, Government Code, with the City of  
5 Baytown for the performance of administrative functions. (Acts  
6 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. D.)

7 [Sections 8104.155-8104.200 reserved for expansion]

8 SUBCHAPTER E. POWERS AND DUTIES

9 Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION. The  
10 authority may:

11 (1) acquire surface water or groundwater supplies from  
12 sources in or outside of the authority; and

13 (2) conserve, store, transport, treat, purify,  
14 distribute, sell, and deliver surface water or groundwater to a  
15 public or private corporation, a political subdivision of this  
16 state, or any other person in or outside of the authority. (Acts  
17 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B (part).)

18 Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND  
19 DISTRIBUTION. (a) The authority may construct, maintain, and  
20 operate a canal, lateral, ditch, levee, pipeline, or other facility  
21 to transport and distribute water, together with a service road or  
22 other facility incidental to or designed for use in connection with  
23 transportation and distribution of water, under, along, and across  
24 a:

- 25 (1) railroad;
- 26 (2) railroad right-of-way;
- 27 (3) canal;



- 1 (4) stream;
- 2 (5) pipeline;
- 3 (6) utility line;
- 4 (7) street or alley in a municipality, subject to
- 5 reasonable regulation by the municipality; or
- 6 (8) public road or highway.

7 (b) In crossing a facility described by Subsection (a), the  
8 authority:

- 9 (1) may not impair the use of the facility; and
- 10 (2) shall promptly restore the facility to its former
- 11 condition of usefulness. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13,
- 12 Subsec. A.)

13 Sec. 8104.203. WASTE SERVICES. The authority may collect  
14 and transport the domestic, industrial, or communal waste of an  
15 entity described by Section 8104.201(2), for the purposes provided  
16 by Chapter 30, Water Code, or for other purposes. (Acts 63rd Leg.,  
17 R.S., Ch. 600, Sec. 5, Subsec. B (part).)

18 Sec. 8104.204. CONTRACTS. (a) The authority may:

19 (1) contract with a public or private corporation, a  
20 political subdivision of this state, including the City of Baytown,  
21 or any other person, on terms the board considers desirable, fair,  
22 and advantageous, for the performance of the authority's rights and  
23 powers under this chapter; and

24 (2) contract with another person to transport that  
25 person's water.

26 (b) Before the authority enters into a contract under this  
27 section, other than a contract between the authority and the City of

1 Baytown, the Baytown City Council must approve the contract.

2 (c) The period of a contract under Subsection (a)(1) may not  
3 exceed 40 years. The contract may provide that it continues in  
4 effect until bonds issued by the authority to finance the cost of  
5 facilities authorized by this chapter and refunding bonds issued in  
6 place of those bonds are paid.

7 (d) Section 402.014, Local Government Code, applies to any  
8 contract between the authority and a municipality, including the  
9 City of Baytown. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B  
10 (part).)

11 Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT AND  
12 DISPOSAL FACILITIES. Before acquiring or constructing a waste  
13 treatment or disposal facility, the authority must obtain the  
14 consent of the:

- 15 (1) Gulf Coast Waste Disposal Authority; or  
16 (2) Texas Commission on Environmental Quality, if the  
17 consent of the Gulf Coast Waste Disposal Authority is unreasonably  
18 withheld or delayed. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5,  
19 Subsec. E (part).)

20 Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT PREVENTED.  
21 This chapter does not prevent the authority from acquiring water  
22 rights under any law or permit if the acquisition is approved by  
23 order or later permit from the Texas Commission on Environmental  
24 Quality. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. D.)

25 Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE CONTRACTS.  
26 The authority is not required to hold an election to approve a  
27 contract with a political subdivision for services described by

1 this chapter. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. C.)

2       Sec. 8104.208. COST OF RELOCATING PROPERTY. (a) In this  
3 section, "sole expense" means the actual cost of relocating,  
4 raising, lowering, rerouting, changing the grade of, or altering  
5 the construction of a facility described by Subsection (b) in  
6 providing comparable replacement without enhancement of the  
7 facility, after deducting from that cost the net salvage value of  
8 the old facility.

9       (b) If the authority, in the exercise of the power of  
10 eminent domain, the power of relocation, or any other power granted  
11 under this chapter, makes necessary the relocating, raising,  
12 rerouting, changing the grade of, or altering the construction of a  
13 highway, a railroad, an electric transmission line, a pipeline, or  
14 a telephone or telegraph property or facility, the necessary  
15 relocation, raising, rerouting, changing the grade of, or  
16 alteration of construction shall be accomplished at the sole  
17 expense of the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13,  
18 Subsec. B.)

19       [Sections 8104.209-8104.250 reserved for expansion]

20               SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

21       Sec. 8104.251. FISCAL YEAR. The authority's fiscal year is  
22 from October 1 to September 30, unless the board changes the fiscal  
23 year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 14 (part).)

24       Sec. 8104.252. AUTHORITY DEPOSITORY. (a) With the prior  
25 approval of the Baytown City Council, the board shall select one or  
26 more banks in this state to act as depository for the authority's  
27 money.

1 (b) To the extent that money in a depository bank is not  
2 insured by the Federal Deposit Insurance Corporation, the money  
3 shall be secured in the manner provided by law for the security of  
4 the City of Baytown's money. (Acts 63rd Leg., R.S., Ch. 600, Sec.  
5 14 (part).)

6 Sec. 8104.253. INVESTMENT AUTHORITY. The authority may  
7 invest:

8 (1) money held in any sinking fund, reserve fund, or  
9 other fund; or

10 (2) money not required for immediate use or  
11 disbursement in the securities as provided by this chapter. (Acts  
12 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

13 Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES. (a) The  
14 authority may:

15 (1) set, charge, alter, and collect a reasonable rent,  
16 rate, fee, or other charge for the use of a facility or for a service  
17 rendered by the authority; and

18 (2) provide for the imposition of a reasonable penalty  
19 for a delinquent rent, rate, fee, or charge.

20 (b) The authority shall set, charge, alter, and collect  
21 rent, rates, fees, and charges in amounts that are sufficient to  
22 produce revenue adequate to fulfill an agreement with the holders  
23 of bonds or notes issued under this chapter. (Acts 63rd Leg., R.S.,  
24 Ch. 600, Sec. 12, Subsec. A (part).)

25 Sec. 8104.255. GRANTS AND ASSISTANCE. The authority may:

26 (1) apply for, accept, and administer a grant, loan,  
27 or other assistance from the United States, this state, or another

1 state to carry out the purpose of this chapter; and

2 (2) enter into an agreement as provided by the  
3 authority in connection with the grant, loan, or other assistance.  
4 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

5 Sec. 8104.256. PROPERTY TAX PROHIBITION. The authority may  
6 not:

7 (1) impose a tax on real, personal, or mixed property;  
8 or

9 (2) issue a bond or create debt payable directly from  
10 ad valorem taxes imposed by the authority. (Acts 63rd Leg., R.S.,  
11 Ch. 600, Sec. 9, Subsec. A.)

12 [Sections 8104.257-8104.300 reserved for expansion]

13 SUBCHAPTER G. BONDS AND NOTES

14 Sec. 8104.301. BORROWING THROUGH BONDS OR NOTES. (a) After  
15 the action is approved by the Baytown City Council, the authority  
16 may borrow money to carry out any power granted to the authority by:

17 (1) issuing and selling revenue bonds or negotiable or  
18 nonnegotiable notes payable from and secured by the sources  
19 described in this chapter; and

20 (2) delivering the bonds or notes to the United States  
21 or to this state when it is determined by the board to be in the best  
22 interest of the authority.

23 (b) The bonds or notes must be authorized by a board  
24 resolution in which a majority of the board's membership concurs.

25 (c) The board must provide the terms of the bonds or notes  
26 and the rights of the holders of the bonds or notes.

27 (d) The Baytown City Council must approve the bonds or notes

1 before they are issued.

2 (e) The board is not required to hold an election before  
3 issuing and selling revenue bonds. (Acts 63rd Leg., R.S., Ch. 600,  
4 Sec. 12, Subsecs. A (part), B (part).)

5 Sec. 8104.302. REFUNDING BONDS. (a) After the action is  
6 approved by the Baytown City Council, the board by resolution may  
7 authorize the issuance of refunding bonds or notes to refund  
8 outstanding bonds or notes issued under this chapter and their  
9 accrued interest.

10 (b) The authority may:

11 (1) sell the refunding bonds or notes and use the  
12 proceeds to retire the outstanding bonds or notes; or

13 (2) exchange the refunding bonds or notes for the  
14 outstanding bonds or notes.

15 (c) To the extent the provisions of this chapter relating to  
16 original bonds or notes may be made applicable, those provisions  
17 apply to:

18 (1) the issuance of the refunding bonds or notes;

19 (2) the maturity of the refunding bonds or notes;

20 (3) the rights of the bondholders; and

21 (4) the authority's duties regarding refunding bonds  
22 or notes.

23 (d) The authority also may refund bonds or notes under any  
24 general law of this state. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
25 Subsec. I.)

26 Sec. 8104.303. FORM OF BONDS; LIABILITY. (a) Bonds or  
27 notes, including a coupon attached to a bond or note, issued under

1 this chapter shall:

2 (1) be signed by the board's president or vice  
3 president; and

4 (2) be attested by the board's secretary.

5 (b) A director, a board officer, or a person who executes a  
6 bond, note, or coupon for the authority is not liable personally on  
7 the bond, note, or coupon by participating in its issuance. (Acts  
8 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. C (part).)

9 Sec. 8104.304. MATURITY. Bonds or notes issued under this  
10 chapter must mature within 40 years. (Acts 63rd Leg., R.S., Ch.  
11 600, Sec. 12, Subsec. B (part).)

12 Sec. 8104.305. RESOLUTION AND TRUST INDENTURE PROVISIONS.

13 (a) A board resolution authorizing bonds or notes or a trust  
14 indenture securing bonds or notes may contain provisions that:

15 (1) to secure the payment of the bonds or notes, pledge  
16 all or a designated part of the authority's revenue and receipts  
17 from the planning, financing, ownership, operation, or leasing of,  
18 or otherwise in connection with, a specified facility or asset, or  
19 that are otherwise connected to the facility or asset;

20 (2) to secure the payment of the bonds or notes, pledge  
21 all or part of the authority's assets, including an obligation  
22 acquired by the authority;

23 (3) relate to the use and disposition of rents, rates,  
24 fees, and other charges made or received by the authority;

25 (4) pledge to set, charge, alter, and collect rents,  
26 rates, fees, or other charges for a designated facility or asset  
27 that will produce revenue adequate to:

1 (A) pay all expenses necessary to operate and  
2 maintain the designated facility or asset;

3 (B) pay the interest on and principal of all  
4 bonds or notes issued and payable from the revenues and receipts as  
5 the interest and principal become due and payable;

6 (C) pay all sinking fund, reserve fund, or other  
7 fund payments agreed to be made related to any bonds or notes  
8 payable out of the revenues and receipts as the payments become due  
9 and payable; and

10 (D) fulfill the terms of an agreement made with:

11 (i) the bond or note holders; or

12 (ii) a person on behalf of the bond or note  
13 holders;

14 (5) set aside the reserves or sinking funds and that  
15 provide for the regulation and disposition of the reserves or  
16 sinking funds;

17 (6) limit the purpose to which the proceeds from the  
18 sale of the bonds or notes may be applied and that pledge the  
19 proceeds to secure the payment of the bonds or notes;

20 (7) limit the issuance of additional bonds and the  
21 refunding of outstanding or other bonds or notes;

22 (8) relate to the acquisition, construction,  
23 improvement, operation, extension, enlargement, maintenance, or  
24 repair of a facility or asset and the duties of the authority  
25 relating to the facility or asset;

26 (9) relate to the procedure by which the terms of an  
27 agreement with the bond or note holders may be amended or abrogated,



1 the amount of bonds or notes the holders of which are required to  
2 give consent to, and the manner in which the consent may be given;

3 (10) limit the amount of money to be spent by the  
4 authority for administrative or other expenses;

5 (11) vest in a trustee or other fiduciary the  
6 property, rights, powers, and duties in trust as the authority  
7 determines, including the rights, powers, and duties of the trustee  
8 appointed by the bond or note holders under this chapter;

9 (12) abrogate the right of the bond or note holders to  
10 appoint a trustee under this chapter or limit the rights, powers,  
11 and duties of the trustee;

12 (13) provide for the management, operation, and  
13 control of a specified authority facility or asset by a board of  
14 trustees to be named in the resolution or trust indenture and that  
15 specify:

16 (A) the terms of office of the board of trustees;

17 (B) the powers and duties of the board of  
18 trustees;

19 (C) the manner of exercising those powers and  
20 duties;

21 (D) the appointment of successors; and

22 (E) all matters relating to the organization and  
23 duties of the board of trustees;

24 (14) govern the issuance of bonds or notes to replace  
25 lost, stolen, or mutilated bonds or notes; and

26 (15) relate to any other matter that affects the  
27 security or protection of the:

- 1 (A) bonds or notes; or
- 2 (B) bond or note holders.

3 (b) A provision authorized by this section that is contained  
4 in the resolution or trust indenture is a part of the agreement with  
5 the holders of the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600,  
6 Sec. 12, Subsecs. E, G (part).)

7 Sec. 8104.306. SECURITY FOR BONDS OR NOTES. (a) Bonds or  
8 notes of the authority and the interest on the bonds or notes may be  
9 secured by and payable only from the sources authorized by this  
10 chapter.

11 (b) The bonds or notes may be secured by and payable from a  
12 pledge of all or part of:

- 13 (1) the authority's revenues, receipts, or assets; or
- 14 (2) the revenues of one or more past or future leases  
15 or other contracts.

16 (c) A pledge made under this section must be specified:

- 17 (1) by the resolution authorizing the bonds or notes;
- 18 or
- 19 (2) by the trust indenture or other instrument  
20 securing the bonds or notes.

21 (d) The lien of the pledge or security instrument is binding  
22 against all parties having claims of any kind against the  
23 authority, including tort or contract claims, regardless of whether  
24 the parties have notice of the lien.

25 (e) A pledge made under this section may reserve to the  
26 authority the right, under conditions the pledge specifies, to  
27 / issue additional bonds or notes that will be on a parity with or

1 subordinate to the bonds or notes then being issued. (Acts 63rd  
2 Leg., R.S., Ch. 600, Sec. 12, Subsecs. D (part), O.)

3       Sec. 8104.307. TRUST INDENTURE. (a) Bonds or notes,  
4 including refunding bonds, authorized by this chapter may be  
5 additionally secured by a trust indenture under which the trustee  
6 may be a bank that has trust powers. The bank may be located in or  
7 outside of this state.

8       (b) Regardless of any mortgage or deed of trust lien or  
9 security interest in the facilities or assets, the trust indenture  
10 may:

11               (1) contain any provision prescribed by the authority  
12 and the Baytown City Council for the security of the bonds or notes  
13 and the preservation of the trust estate;

14               (2) provide for amendment or modification of the trust  
15 indenture;

16               (3) condition the right to spend authority money or to  
17 sell the authority's facilities or assets on approval of a licensed  
18 engineer selected as provided by the trust indenture; and

19               (4) include any other provision to protect and enforce  
20 the rights and remedies of the bond or note holders as may be  
21 reasonable and proper. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
22 Subsec. G (part).)

23       Sec. 8104.308. ADDITIONAL SECURITY. At the discretion of  
24 the authority and the Baytown City Council, bonds or notes issued  
25 under this chapter may be secured additionally by a mortgage or a  
26 deed of trust lien or security interest on facilities or assets of  
27 the authority and all real property, franchises, easements, leases,

1 contracts, and rights appurtenant to the properties that vest in  
2 the trustee the power to:

3 (1) sell the facilities or assets for payment of the  
4 debt;

5 (2) operate the facilities or assets; and

6 (3) take any other action to secure the bonds or notes.

7 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. G (part).)

8 Sec. 8104.309. REVIEW AND APPROVAL OF CONTRACTS RELATING TO  
9 BONDS OR NOTES. (a) If bonds or notes issued under this chapter  
10 state that the bonds or notes are secured by a pledge of the  
11 revenues and receipts of a lease or other contract made between the  
12 authority and a person, a copy of the lease or contract may be  
13 submitted to the attorney general with the bonds or notes.

14 (b) If the attorney general finds that the bonds or notes  
15 have been authorized and that the lease or contract has been made in  
16 accordance with law, the attorney general shall approve the bonds  
17 or notes and the lease or contract. (Acts 63rd Leg., R.S., Ch. 600,  
18 Sec. 12, Subsec. J (part).)

19 Sec. 8104.310. BONDS AND NOTES EXEMPT FROM TAXATION. A bond  
20 or note issued under this chapter, the interest on the bond or note,  
21 and the profit from the sale of the bond or note are exempt from  
22 taxation by this state or a political subdivision of this state.  
23 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. N.)

24 Sec. 8104.311. BOND OR NOTE SALE PROCEEDS. Proceeds from  
25 the sale of bonds or notes issued by the authority shall be:

26 (1) deposited in a depository bank; and

27 (2) paid out under the terms to which the authority and

1 the purchasers agree. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
2 Subsec. B (part).)

3 Sec. 8104.312. INVESTMENT OF FUNDS AND USE OF PROCEEDS. (a)  
4 The authority may direct the investment of money in the funds  
5 created by the resolution authorizing bonds or notes or by a trust  
6 indenture or other instrument securing bonds or notes issued under  
7 this chapter.

8 (b) The authority may set aside proceeds from the sale of  
9 bonds or notes for payment into:

10 (1) the interest and sinking fund until completion of  
11 construction and until adequate revenues and receipts are available  
12 from operations to pay principal and interest; or

13 (2) reserve funds.

14 (c) The authority may provide, in the resolution  
15 authorizing the bonds or notes or in the trust indenture or other  
16 instrument, for setting aside the proceeds as described by  
17 Subsection (b).

18 (d) Proceeds from the sale of bonds or notes may be used to  
19 pay all expenses of issuing and selling the bonds or notes.

20 (e) Proceeds from the sale of bonds or notes and money in  
21 funds created in connection with the bonds or notes may be invested:

22 (1) in direct or indirect obligations of or  
23 obligations unconditionally guaranteed by the United States  
24 maturing in the manner that may be specified by the resolution  
25 authorizing the bonds or notes or by the trust indenture or other  
26 instrument securing the bonds or notes; or

27 (2) in bank or trust company certificates of deposit

1 that are secured by the obligations described in Subdivision (1).  
2 (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. H.)

3 Sec. 8104.313. APPOINTMENT OF RECEIVER. (a) The  
4 resolution authorizing the issuance of the bonds or notes, or the  
5 trust indenture or other instrument securing the bonds or notes,  
6 may provide that, on petition of the holders of outstanding bonds or  
7 notes, a court may appoint a receiver for the authority:

8 (1) on default in the payment of the principal of or  
9 interest on bonds or notes; or

10 (2) under the conditions stated in the resolution,  
11 trust indenture, or other instrument, on a threatened default in  
12 the payment of the principal of or interest on bonds or notes.

13 (b) The receiver may collect and receive pledged revenues  
14 and receipts.

15 (c) The resolution, trust indenture, or other instrument  
16 may limit or qualify the rights of less than all of the holders of  
17 outstanding bonds or notes payable from the same source to  
18 institute or prosecute litigation affecting the authority's  
19 properties or revenues. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
20 Subsec. F.)

21 Sec. 8104.314. ENFORCEMENT. The following may be enforced  
22 in a court by mandamus or other appropriate proceeding:

23 (1) payment of bonds or notes according to the term and  
24 tenor;

25 (2) performance of agreements with the holders of  
26 bonds or notes or any person on their behalf; and

27 (3) performance of official duties prescribed by this

1 chapter in connection with bonds or notes. (Acts 63rd Leg., R.S.,  
2 Ch. 600, Sec. 12, Subsec. L.)

3 Sec. 8104.315. STATE PLEDGE REGARDING RIGHTS AND REMEDIES  
4 OF BOND OR NOTE HOLDERS. (a) The state pledges to and agrees with  
5 the holders of bonds or notes issued under this chapter that the  
6 state will not limit or alter the rights vested in the authority to  
7 fulfill the terms of agreements made with the holders that are  
8 consistent with this chapter or impair the rights and remedies of  
9 the holders until the following are fully discharged:

- 10 (1) the bonds or notes;
- 11 (2) interest on the bonds or notes;
- 12 (3) interest on any unpaid installments of interest;
- 13 and
- 14 (4) all costs and expenses for which the authority is  
15 liable related to an action or proceeding by or on behalf of the  
16 holders.

17 (b) The authority may include the state's pledge and  
18 agreement under Subsection (a) in an agreement with the holders of  
19 the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12,  
20 Subsec. P (part).)

21 Sec. 8104.316. LIMITATION ON RIGHT OF BOND OR NOTE HOLDERS.  
22 The purchasers and holders of any bonds or notes may not demand  
23 payment from revenues, receipts, or assets of the authority except  
24 those pledged to the payment of the bonds or notes. (Acts 63rd  
25 Leg., R.S., Ch. 600, Sec. 12, Subsec. P (part).)

1 CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8105.001. DEFINITION

4 Sec. 8105.002. NATURE OF DISTRICT

5 Sec. 8105.003. LEGISLATIVE FINDINGS

6 Sec. 8105.004. DISTRICT TERRITORY

7 [Sections 8105.005-8105.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8105.051. DIRECTORS

10 Sec. 8105.052. ELECTION OF DIRECTORS

11 [Sections 8105.053-8105.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES,

14 FUNCTIONS, AND DUTIES

15 CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. 8105.001. DEFINITION. In this chapter, "district"  
18 means the Beach Road Municipal Utility District. (Acts 73rd Leg.,  
19 R.S., Ch. 959, Sec. 2.)

20 Sec. 8105.002. NATURE OF DISTRICT. The district is a  
21 conservation and reclamation district in Matagorda County created  
22 under Section 59, Article XVI, Texas Constitution. (Acts 73rd  
23 Leg., R.S., Ch. 959, Secs. 1(a), (b) (part).)

24 Sec. 8105.003. LEGISLATIVE FINDINGS. (a) The district:

25 (1) is essential to accomplish the purposes of Section  
26 59, Article XVI, Texas Constitution; and

27 (2) is created to serve a public use and benefit.



1 (b) All land and other property included in the district  
2 will benefit from the works and projects to be accomplished by the  
3 district under powers conferred by Section 59, Article XVI, Texas  
4 Constitution. (Acts 73rd Leg., R.S., Ch. 959, Secs. 1(b) (part),  
5 5.)

6 Sec. 8105.004. DISTRICT TERRITORY. (a) The district is  
7 composed of the territory described by Section 3, Chapter 959, Acts  
8 of the 73rd Legislature, Regular Session, 1993, as that territory  
9 may have been modified under:

10 (1) Subchapter H, Chapter 54, Water Code, before  
11 September 1, 1995;

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

13 (3) other law.

14 (b) The boundaries and field notes contained in Section 3,  
15 Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993,  
16 form a closure. A mistake made in the field notes or in copying the  
17 field notes in the legislative process does not affect:

18 (1) the organization, existence, or validity of the  
19 district;

20 (2) the right of the district to impose taxes; or

21 (3) the legality or operation of the district or its  
22 governing body. (Acts 73rd Leg., R.S., Ch. 959, Sec. 4; New.)

23 [Sections 8105.005-8105.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8105.051. DIRECTORS. (a) The district is governed  
26 by a board of five directors.

27 (b) Directors serve staggered four-year terms.

1 (c) A director must qualify to serve as director in the  
2 manner provided by Section 49.055, Water Code. (Acts 73rd Leg.,  
3 R.S., Ch. 959, Secs. 7(a), (d), (e).)

4 Sec. 8105.052. ELECTION OF DIRECTORS. On the first  
5 Saturday in May of every even-numbered year, the district shall  
6 hold an election in the district to elect the appropriate number of  
7 directors. (Acts 73rd Leg., R.S., Ch. 959, Sec. 10.)

8 [Sections 8105.053-8105.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES,  
11 FUNCTIONS, AND DUTIES. (a) The district has the rights, powers,  
12 privileges, functions, and duties provided by general law,  
13 including Chapters 49, 50, and 54, Water Code, applicable to a  
14 municipal utility district created under Section 59, Article XVI,  
15 Texas Constitution.

16 (b) The rights, powers, privileges, functions, and duties  
17 of the district are subject to the continuing right of supervision  
18 by this state exercised by and through the Texas Commission on  
19 Environmental Quality. (Acts 73rd Leg., R.S., Ch. 959, Sec. 6;  
20 New.)

21 CHAPTER 8106. BAMEL UTILITY DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 8106.001. DEFINITIONS

24 Sec. 8106.002. NATURE OF DISTRICT

25 Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

26 Sec. 8106.004. DISTRICT TERRITORY

27 Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED

1 [Sections 8106.006-8106.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Sec. 8106.051. COMPOSITION OF BOARD

4 Sec. 8106.052. DIRECTOR'S BOND

5 Sec. 8106.053. BOARD VACANCY

6 Sec. 8106.054. DISTRICT OFFICE

7 Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING

8 [Sections 8106.056-8106.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8106.101. GENERAL POWERS AND DUTIES

11 Sec. 8106.102. ADDITIONAL POWERS AND DUTIES

12 Sec. 8106.103. EMINENT DOMAIN

13 Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY

14 Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER,

15 OR DRAINAGE SERVICES; ELECTION NOT

16 REQUIRED

17 Sec. 8106.106. NOTICE OF ELECTION

18 Sec. 8106.107. DISTRICT RULES

19 [Sections 8106.108-8106.150 reserved for expansion]

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 8106.151. TAX METHOD

22 Sec. 8106.152. DISTRICT ACCOUNTS

23 Sec. 8106.153. COPY OF AUDIT REPORT

24 Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT

25 REQUIRED

26 Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY

CHAPTER 8106. BAMMEL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8106.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Bammel Utility District. (V.A.C.S. Art. 8280-438, Sec. 1 (part); New.)

Sec. 8106.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County, created under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-438, Sec. 1 (part); New.)

Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The legislature finds that:

(1) the district is created to serve a public use and benefit; and

(2) all land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

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

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and for the improvement of their properties and industries. The district in carrying out the purposes of this chapter will be performing an essential public function under the Texas Constitution. (V.A.C.S. Art. 8280-438, Secs. 1 (part), 4, 24 (part).)

1           Sec. 8106.004. DISTRICT TERRITORY. (a) The district is  
2 composed of the territory described by Section 2, Chapter 357, Acts  
3 of the 61st Legislature, Regular Session, 1969 (Article 8280-438,  
4 Vernon's Texas Civil Statutes), as that territory may have been  
5 modified under:

6                   (1) Subchapter O, Chapter 51, Water Code, before  
7 September 11, 1978;

8                   (2) Subchapter H, Chapter 54, Water Code;

9                   (3) Subchapter J, Chapter 49, Water Code;

10                  (4) this chapter; or

11                  (5) other law.

12           (b) The boundaries and field notes of the district contained  
13 in Section 2, Chapter 357, Acts of the 61st Legislature, Regular  
14 Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes),  
15 form a closure. If a mistake is made in the field notes or in  
16 copying the field notes in the legislative process, the mistake  
17 does not affect:

18                   (1) the district's organization, existence, and  
19 validity;

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

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

24                   (4) the legality or operation of the district or the  
25 board. (V.A.C.S. Art. 8280-438, Sec. 3; New.)

26           Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED. It is  
27 not necessary for the board to call or hold a confirmation election

1 to confirm the district's creation. (V.A.C.S. Art. 8280-438, Sec.  
2 6.)

3 [Sections 8106.006-8106.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT ADMINISTRATION

5 Sec. 8106.051. COMPOSITION OF BOARD. The board consists of  
6 five directors. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

7 Sec. 8106.052. DIRECTOR'S BOND. (a) Each director shall  
8 execute a bond in the amount of \$5,000 for the faithful performance  
9 of the director's duties.

10 (b) The bond must be recorded in a record book kept for that  
11 purpose in the district office. (V.A.C.S. Art. 8280-438, Sec. 10  
12 (part).)

13 Sec. 8106.053. BOARD VACANCY. (a) Except as provided by  
14 Subsection (b), a vacancy in the office of director shall be filled  
15 in the manner provided by Section 49.105, Water Code.

16 (b) The county judge of the county in which the district is  
17 located shall appoint directors to fill all of the vacancies on the  
18 board whenever the number of qualified directors is fewer than  
19 three. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

20 Sec. 8106.054. DISTRICT OFFICE. (a) Except as provided by  
21 this section, the board shall designate, establish, and maintain a  
22 district office as provided by Section 49.062, Water Code.

23 (b) The board may establish a second district office outside  
24 the district. If the board establishes a second district office,  
25 the board shall give notice of the location of that office by:

26 (1) filing a copy of the board resolution that  
27 establishes the location of the office:

1 (A) with the Texas Commission on Environmental  
2 Quality; and

3 (B) in the municipal utility district records of  
4 each county in which the district is located; and

5 (2) publishing notice of the location of the office in  
6 a newspaper of general circulation in each county in which the  
7 district is located.

8 (c) A district office that is a private residence, office,  
9 or dwelling is a public place for matters relating to district  
10 business.

11 (d) The board shall provide notice of any change in the  
12 location of the district office outside the district in the manner  
13 required by Subsection (b). (V.A.C.S. Art. 8280-438, Sec. 15.)

14 Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If  
15 the board president is absent from a board meeting:

- 16 (1) the board vice president may:
  - 17 (A) sign an order adopted at the meeting; or
  - 18 (B) implement any other action taken at the
- 19 meeting; or

20 (2) the board may authorize the president to sign the  
21 order or implement the action. (V.A.C.S. Art. 8280-438, Sec. 10  
22 (part).)

23 [Sections 8106.056-8106.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8106.101. GENERAL POWERS AND DUTIES. The district has  
26 all of the rights, powers, privileges, authority, and functions  
27 conferred by the general laws of the state relating to municipal

1 utility districts created under Section 59, Article XVI, Texas  
2 Constitution, including those conferred by Chapters 49 and 54,  
3 Water Code. (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

4 Sec. 8106.102. ADDITIONAL POWERS AND DUTIES. (a) The  
5 district may:

6 (1) make, purchase, construct, lease, or otherwise  
7 acquire property, works, facilities, existing improvements, or  
8 improvements to be made, constructed, or acquired that are:

9 (A) inside or outside the boundaries of the  
10 district; and

11 (B) necessary to carry out the powers granted by  
12 this chapter or general law; or

13 (2) enter into a contract with a person on terms the  
14 board considers desirable, fair, and advantageous for:

15 (A) the purchase or sale of water;

16 (B) the transportation, treatment, and disposal  
17 of the domestic, industrial, or communal wastes of the district or  
18 others;

19 (C) the continuing and orderly development of  
20 district land and property through the purchase, construction, or  
21 installation of facilities, works, or improvements that the  
22 district is otherwise authorized to do or perform so that, to the  
23 greatest extent reasonably possible, considering sound engineering  
24 and economic practices, all of the lands and property may  
25 ultimately receive the services of the facilities, works, or  
26 improvements; and

27 (D) the performance of any of the powers granted



1 by this chapter or general law.

2 (b) A contract under Subsection (a)(2) may not have a  
3 duration of more than 40 years. (V.A.C.S. Art. 8280-438, Sec. 5  
4 (part).)

5 Sec. 8106.103. EMINENT DOMAIN. The district may exercise  
6 the power of eminent domain only:

7 (1) in a county in which the district is located; and

8 (2) when necessary to carry out the purposes for which  
9 the district was created. (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

10 Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY.

11 (a) In this section, the term "sole expense" means the actual cost  
12 of the action required under Subsection (b) to provide a comparable  
13 replacement without enhancing the facility, after deducting the net  
14 salvage value derived from the old facility.

15 (b) If the district's exercise of eminent domain or of  
16 another power conferred by this chapter requires relocating,  
17 raising, rerouting, or changing the grade of, or altering the  
18 construction of any highway, railroad, electric transmission line,  
19 telegraph or telephone property and facility, or pipeline, the  
20 action shall be accomplished at the sole expense of the district.  
21 (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

22 Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR  
23 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may  
24 enter into a contract with a political subdivision for water,  
25 sewer, or drainage services or any combination of those services  
26 without the necessity of an election by any contracting party.

27 (b) The district may pay for an obligation incurred by

1 entering into a contract under this section by issuing bonds that,  
2 if otherwise necessary, have been approved by the voters in the  
3 manner provided by this chapter.

4 (c) The district may deliver the district's bonds to any of  
5 the following parties that enters into a contract with the district  
6 under this section:

- 7 (1) the United States;
- 8 (2) an agency or instrumentality of the United States;
- 9 (3) this state; or
- 10 (4) an agency or instrumentality of this state.

11 (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

12 Sec. 8106.106. NOTICE OF ELECTION. The board president or  
13 secretary may give notice of an election. (V.A.C.S. Art. 8280-438,  
14 Sec. 19.)

15 Sec. 8106.107. DISTRICT RULES. The district shall adopt  
16 and enforce reasonable and effective rules to secure and maintain  
17 safe, sanitary, and adequate plumbing installations, connections,  
18 and appurtenances as subsidiary parts of the district's sewerage  
19 system to preserve the quality of water within or controlled by the  
20 district. (V.A.C.S. Art. 8280-438, Sec. 16.)

21 [Sections 8106.108-8106.150 reserved for expansion]

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23 Sec. 8106.151. TAX METHOD. (a) The board shall use the ad  
24 valorem plan of taxation.

25 (b) The board is not required to hold a hearing on the  
26 adoption of a plan of taxation. (V.A.C.S. Art. 8280-438, Sec. 8.)

27 Sec. 8106.152. DISTRICT ACCOUNTS. The district shall keep

1 a complete system of the district's accounts. (V.A.C.S. Art.  
2 8280-438, Sec. 14 (part).)

3 Sec. 8106.153. COPY OF AUDIT REPORT. A copy of the audit  
4 report prepared under Subchapter G, Chapter 49, Water Code, shall  
5 be delivered upon request to a holder of at least 25 percent of the  
6 outstanding bonds of the district. (V.A.C.S. Art. 8280-438, Sec.  
7 14 (part).)

8 Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.  
9 The district is not required to pay a tax or assessment on:

- 10 (1) district property; or
- 11 (2) a purchase made by the district. (V.A.C.S. Art.  
12 8280-438, Sec. 24 (part).)

13 Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A  
14 director may be a shareholder in a depository of district funds.  
15 (V.A.C.S. Art. 8280-438, Sec. 14 (part).)

16 SECTION 1.07. Subtitle H, Title 6, Special District Local  
17 Laws Code, is amended by adding Chapter 8802 to read as follows:

18 CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER

19 CONSERVATION DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8802.001. DEFINITIONS

22 Sec. 8802.002. LEGISLATIVE FINDINGS

23 Sec. 8802.003. DISTRICT TERRITORY

24 Sec. 8802.004. EFFECT ON CERTAIN LITIGATION

25 [Sections 8802.005-8802.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8802.051. DIRECTORS; TERMS

1 Sec. 8802.052. ELECTION DATE

2 Sec. 8802.053. SINGLE-MEMBER DISTRICTS.

3 [Sections 8802.054-8802.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8802.101. GENERAL POWERS AND DUTIES

6 Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION

7 OF LAND PROHIBITED

8 Sec. 8802.103. IMPOSITION OF TAXES

9 Sec. 8802.104. USER FEES

10 Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED

11 Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT

12 WELLS

13 Sec. 8802.107. ENFORCEMENT

14 Sec. 8802.108. BORROWING MONEY

15 [Sections 8802.109-8802.150 reserved for expansion]

16 SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

17 Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED

18 Sec. 8802.152. EXCLUSION OF COUNTY AREA

19 [Sections 8802.153-8802.200 reserved for expansion]

20 SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

21 Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED

22 Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION

23 CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER

24 CONSERVATION DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8802.001. DEFINITIONS. In this chapter:

27 (1) "Board" means the board of directors of the

1 district.

2 (2) "District" means the Barton Springs-Edwards  
3 Aquifer Conservation District. (Acts 70th Leg., R.S., Ch. 429,  
4 Secs. 1 (part), 2(c)(1) (part).)

5 Sec. 8802.002. LEGISLATIVE FINDINGS. The legislature  
6 finds that the creation of the district:

7 (1) is feasible and practicable;

8 (2) will be a benefit to land in the district; and

9 (3) will be a public benefit and utility. (Acts 70th  
10 Leg., R.S., Ch. 429, Sec. 1 (part).)

11 Sec. 8802.003. DISTRICT TERRITORY. The district is  
12 composed of the territory described by the Texas Water Commission's  
13 August 15, 1986, order, as that territory may have been modified  
14 under:

15 (1) Subchapter J, Chapter 36, Water Code; or

16 (2) other law. (Acts 70th Leg., R.S., Ch. 429, Sec. 1  
17 (part); New.)

18 Sec. 8802.004. EFFECT ON CERTAIN LITIGATION. This chapter  
19 does not adversely affect the rights of any parties involved in  
20 litigation on or before February 1, 1987, with the Texas Water  
21 Commission or the petitioners for the creation of the district.  
22 (Acts 70th Leg., R.S., Ch. 429, Sec. 11.)

23 [Sections 8802.005-8802.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8802.051. DIRECTORS; TERMS. (a) The district is  
26 governed by a board of five directors who serve staggered four-year  
27 terms.

1 (b) At least two directors must be elected by voters  
2 residing in the city of Austin. (Acts 70th Leg., R.S., Ch. 429,  
3 Secs. 2(f)(1) (part), 7(a) (part), (c) (part).)

4 Sec. 8802.052. ELECTION DATE. An election shall be held to  
5 elect the appropriate number of directors on the spring uniform  
6 election date each even-numbered year. (Acts 70th Leg., R.S., Ch.  
7 429, Sec. 7(c) (part).)

8 Sec. 8802.053. SINGLE-MEMBER DISTRICTS. (a) The district  
9 is divided into five numbered, single-member districts for electing  
10 directors.

11 (b) The board may revise the single-member districts as  
12 necessary or appropriate.

13 (c) As soon as practicable after the publication of each  
14 federal decennial census, the board shall revise the single-member  
15 districts as the board considers appropriate to reflect population  
16 changes. When the board revises the single-member districts under  
17 this subsection, the board shall place two of the districts:

18 (1) entirely within the boundaries of the city of  
19 Austin, as those boundaries exist at that time; or

20 (2) within the boundaries of the city of Austin, as  
21 those boundaries exist at that time, but also including  
22 unincorporated areas or other municipalities that are surrounded  
23 wholly or partly by the boundaries of the city of Austin if the  
24 areas or municipalities are noncontiguous to the territory of any  
25 other single-member district.

26 (d) Changes in the boundaries of the city of Austin between  
27 revisions of the single-member districts under Subsection (c) do

1 not affect the boundaries of the single-member districts.

2 (e) When the boundaries of the single-member districts are  
3 changed, a director in office on the effective date of the change,  
4 or elected or appointed before the effective date of the change to a  
5 term of office beginning on or after the effective date of the  
6 change, is entitled to serve the term or the remainder of the term  
7 in the single-member district to which elected or appointed even  
8 though the change in boundaries places the person's residence  
9 outside the single-member district for which the person was elected  
10 or appointed. (Acts 70th Leg., R.S., Ch. 429, Secs. 7(d), (e), (f),  
11 (g), (h).)

12 [Sections 8802.054-8802.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 8802.101. GENERAL POWERS AND DUTIES. Except as  
15 otherwise provided by this chapter, the district has the powers and  
16 duties provided by Chapter 36, Water Code, for groundwater  
17 conservation districts. (Acts 70th Leg., R.S., Ch. 429, Sec.  
18 2(a)(1).)

19 Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION OF  
20 LAND PROHIBITED. The district may not adopt rules regulating  
21 zoning or the subdivision of land. (Acts 70th Leg., R.S., Ch. 429,  
22 Sec. 2(a)(2).)

23 Sec. 8802.103. IMPOSITION OF TAXES. (a) The district may  
24 impose an ad valorem tax as provided by Subchapter G, Chapter 36,  
25 Water Code, only if:

26 (1) the user fee authorized by this subchapter is held  
27 unconstitutional by the Texas Supreme Court; and

1           (2) a majority of the voters approve the tax at an  
2 election held in the district.

3           (b) The district may impose the ad valorem tax at a rate not  
4 to exceed three cents on each \$100 of appraised value. (Acts 70th  
5 Leg., R.S., Ch. 429, Sec. 2(b).)

6           Sec. 8802.104. USER FEES. (a) The board by rule may  
7 impose reasonable fees on each well for which the district issues a  
8 permit and which is not exempt from regulation by the district.

9           (b) The board may assess the fees on an annual basis  
10 according to:

- 11           (1) the size of column pipe used in the well;  
12           (2) the production capacity of the well; or  
13           (3) the actual, authorized, or anticipated pumpage of  
14 the well.

15           (c) The board may use fees as both a regulatory mechanism  
16 and a revenue-producing mechanism.

17           (d) The board shall adopt rules relating to:

- 18           (1) the rates of fees;  
19           (2) the manner and form for filing reports of fees; and  
20           (3) the manner of collecting fees.

21           (e) The district may use money collected from fees to:

- 22           (1) manage and operate the district; and  
23           (2) pay all or part of the principal of and interest on  
24 district bonds or notes. (Acts 70th Leg., R.S., Ch. 429, Secs.  
25 2(c)(1) (part), (2), (3).)

26           Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED. Each year  
27 the board may assess against the City of Austin a water use fee in an



1 amount not to exceed 40 percent of the total funding of the district  
2 received from water use fees assessed against Austin and other  
3 nonexempt users in that year. (Acts 70th Leg., R.S., Ch. 429, Sec.  
4 2(f)(2).)

5 Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT  
6 WELLS. Notwithstanding the 25,000-gallon production capacity  
7 restriction provided by Section 36.117(b)(1), Water Code, a well in  
8 the district is exempt under Section 36.117, Water Code, only if the  
9 production capacity of the well is 10,000 gallons per day or less.  
10 (Acts 70th Leg., R.S., Ch. 429, Sec. 2(d)(1).)

11 Sec. 8802.107. ENFORCEMENT. (a) If it appears that a  
12 person has violated, is violating, or is threatening to violate  
13 Chapter 36, Water Code, or a district permit, rule, or order, the  
14 district may file a civil suit in a district court of the county in  
15 which the violation occurs to obtain:

16 (1) injunctive relief to restrain the person from  
17 continuing the violation;

18 (2) a civil penalty of not less than \$50 or more than  
19 \$1,000 for each violation and for each day of violation; or

20 (3) both injunctive relief and a civil penalty.

21 (b) On application for injunctive relief under Subsection  
22 (a)(1) and a finding that a person is violating or threatening to  
23 violate this chapter or a district permit, rule, or order, the  
24 district court shall grant injunctive relief as the facts may  
25 warrant.

26 (c) Any legal action initiated under this section to obtain  
27 penalties must be authorized by a resolution of the board or by the

1 district's general manager, if authorized by the board.

2 (d) In a civil suit filed under this section, the district:

3 (1) is not required to post bond or other security; and

4 (2) may recover reasonable attorney's fees and expert  
5 witness's fees.

6 (e) The remedies provided by this section are in addition to  
7 any remedies provided by other law. (Acts 70th Leg., R.S., Ch. 429,  
8 Sec. 2(e).)

9 Sec. 8802.108. BORROWING MONEY. (a) The district may  
10 borrow money as provided by Sections 49.152-49.154, Water Code.

11 (b) The district may not borrow money for a period of more  
12 than one year. (Acts 70th Leg., R.S., Ch. 429, Sec. 9.)

13 [Sections 8802.109-8802.150 reserved for expansion]

14 SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

15 Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED. Approval  
16 of inclusion of land in the district that is located in the  
17 corporate limits or extraterritorial jurisdiction of a  
18 municipality does not require the municipality's approval under  
19 Subchapter B, Chapter 42, Local Government Code. (Acts 70th Leg.,  
20 R.S., Ch. 429, Sec. 3.)

21 Sec. 8802.152. EXCLUSION OF COUNTY AREA. (a) The  
22 residents of any county area of the district, on petition of at  
23 least 15 percent of the registered voters in that county area, may  
24 request that the board, in conjunction with the next regularly  
25 scheduled directors' election, hold a referendum to determine  
26 whether to exclude that county area from the district.

27 (b) The petition must be submitted to the board not later

1 than the 45th day before the date of the election.

2 (c) The board shall call and add a referendum under this  
3 section to the ballot of the May directors' election in the county  
4 area.

5 (d) Exclusion of a county area from the district requires  
6 approval by a majority of the voters voting on the proposition: "The  
7 \_\_\_\_\_ county area of the Barton Springs-Edwards  
8 Aquifer Conservation District shall be excluded from the Barton  
9 Springs-Edwards Aquifer Conservation District."

10 (e) The exclusion of any county area from the district is  
11 effective on June 1 following approval of the referendum. On and  
12 after that date:

13 (1) the boundaries of the district shall be redefined  
14 to exclude the county area;

15 (2) the imposition and collection of district taxes or  
16 user fees in the county area shall cease;

17 (3) the offices held by any directors elected from the  
18 county area shall terminate; and

19 (4) any other matters provided by law or by agreement  
20 with any person affecting the authority and operations of the  
21 district shall be automatically redesignated and redefined to be  
22 consistent with the exclusion of the county area. (Acts 70th Leg.,  
23 R.S., Ch. 429, Sec. 10(a).)

24 [Sections 8802.153-8802.200 reserved for expansion]

25 SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

26 Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED. The  
27 district may not be converted to any other type of conservation and

1 reclamation district. (Acts 70th Leg., R.S., Ch. 429, Sec. 8.)

2           Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION. (a) The  
3 board shall call a dissolution election if:

4                   (1) the board receives a petition signed by a number of  
5 registered voters in the district equal to at least 30 percent of  
6 the voters in the district's most recent election; and

7                   (2) the district has no outstanding bonds or other  
8 long-term indebtedness.

9           (b) The board shall dissolve the district if at least  
10 two-thirds of the voters voting in the election vote in favor of  
11 dissolving the district. (Acts 70th Leg., R.S., Ch. 429, Sec. 6.)

12           SECTION 1.08. Subtitle I, Title 6, Special District Local  
13 Laws Code, is amended by adding Chapters 9004-9007 to read as  
14 follows:

15                   CHAPTER 9004. BAELIFF MUNICIPAL UTILITY DISTRICT  
16                                   OF GALVESTON COUNTY, TEXAS

17                                   SUBCHAPTER A. GENERAL PROVISIONS

18           Sec. 9004.001. DEFINITIONS

19           Sec. 9004.002. NATURE OF DISTRICT

20           Sec. 9004.003. LEGISLATIVE DECLARATION AND FINDINGS

21           Sec. 9004.004. DISTRICT TERRITORY

22                   [Sections 9004.005-9004.050 reserved for expansion]

23                                   SUBCHAPTER B. POWERS AND DUTIES

24           Sec. 9004.051. GENERAL POWERS AND DUTIES

25           Sec. 9004.052. TAX METHOD

26           Sec. 9004.053. LIMITATION ON EMINENT DOMAIN AUTHORITY

1 Sec. 9004.054. DURATION OF CONTRACT FOR WATER PURCHASE  
2 OR SALE

3 Sec. 9004.055. INSTALLATION OF STREET LIGHTS

4 CHAPTER 9004. BACLIFF MUNICIPAL UTILITY DISTRICT  
5 OF GALVESTON COUNTY, TEXAS

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 9004.001. DEFINITIONS. In this chapter:

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

10 (2) "District" means the Bacliff Municipal Utility  
11 District of Galveston County, Texas. (V.A.C.S. Art. 8280-286, Sec.  
12 1 (part); New.)

13 Sec. 9004.002. NATURE OF DISTRICT. The Bacliff Municipal  
14 Utility District of Galveston County, Texas, is:

15 (1) a conservation and reclamation district under  
16 Section 59, Article XVI, Texas Constitution; and

17 (2) a water control and improvement district.  
18 (V.A.C.S. Art. 8280-286, Secs. 1 (part), 6 (part).)

19 Sec. 9004.003. LEGISLATIVE DECLARATION AND FINDINGS. (a)  
20 The legislature declares that the district is:

21 (1) essential to accomplish the purposes of Section  
22 59, Article XVI, Texas Constitution; and

23 (2) a municipal corporation.

24 (b) The legislature finds that:

25 (1) the district is created to serve a public use and  
26 benefit; and

27 (2) all land and other property included in the

1 district are benefited by the creation of the district and by the  
2 improvements that the district purchases, constructs, or otherwise  
3 acquires. (V.A.C.S. Art. 8280-286, Secs. 6 (part), 7.)

4 Sec. 9004.004. DISTRICT TERRITORY. The district is  
5 composed of the territory described by Section 1, Chapter 244, Acts  
6 of the 58th Legislature, Regular Session, 1963 (Article 8280-286,  
7 Vernon's Texas Civil Statutes), as that territory may have been  
8 modified under:

9 (1) Chapter 3A, Title 128, Revised Statutes, before  
10 August 30, 1971;

11 (2) Subchapter O, Chapter 51, Water Code;

12 (3) Subchapter J, Chapter 49, Water Code; or

13 (4) other law. (V.A.C.S. Art. 8280-286, Sec. 4; New.)

14 [Sections 9004.005-9004.050 reserved for expansion]

15 SUBCHAPTER B. POWERS AND DUTIES

16 Sec. 9004.051. GENERAL POWERS AND DUTIES. The district has  
17 all the rights, powers, privileges, and duties conferred and  
18 imposed by a general law of this state on a water control and  
19 improvement district created under Section 59, Article XVI, Texas  
20 Constitution, including Chapters 49 and 51, Water Code. (V.A.C.S.  
21 Art. 8280-286, Sec. 2 (part).)

22 Sec. 9004.052. TAX METHOD. (a) The board shall use the ad  
23 valorem plan of taxation.

24 (b) The board is not required to hold a hearing on the  
25 adoption of a plan of taxation. (V.A.C.S. Art. 8280-286, Sec. 6  
26 (part).)

27 Sec. 9004.053. LIMITATION ON EMINENT DOMAIN AUTHORITY. The

1 district may not exercise the power of eminent domain outside the  
2 district. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

3 Sec. 9004.054. DURATION OF CONTRACT FOR WATER PURCHASE OR  
4 SALE. A district contract for the purchase or sale of water may not  
5 exceed 40 years. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

6 Sec. 9004.055. INSTALLATION OF STREET LIGHTS. (a) On  
7 approval by a majority of the voters of the district voting at an  
8 election held for that purpose, the district may:

9 (1) install, operate, and maintain street lighting in  
10 a public utility easement or public right-of-way inside the  
11 district; and

12 (2) assess the cost of the installation, operation,  
13 and maintenance of the street lighting as an additional charge in  
14 the monthly billings of the district's customers.

15 (b) The district may not use money from taxes or bonds  
16 supported by taxes for a purpose described by this section.

17 (c) This section does not authorize the district to install,  
18 operate, or maintain street lighting on a right-of-way that is part  
19 of the designated state highway system. (V.A.C.S. Art. 8280-286,  
20 Sec. 2A.)

21 CHAPTER 9005. BELL COUNTY WATER CONTROL AND

22 IMPROVEMENT DISTRICT NO. 1

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 9005.001. DEFINITIONS

25 Sec. 9005.002. FINDING OF BENEFIT

26 Sec. 9005.003. DISTRICT TERRITORY

27 Sec. 9005.004. ANNEXATION OF TERRITORY

1 [Sections 9005.005-9005.050 reserved for expansion]

2 SUBCHAPTER B. POWERS AND DUTIES

3 Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER  
4 LAW

5 Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL  
6 FACILITIES OR PROPERTIES

7 Sec. 9005.053. PURCHASE OR USE OF WATER

8 [Sections 9005.054-9005.100 reserved for expansion]

9 SUBCHAPTER C. FINANCIAL PROVISIONS

10 Sec. 9005.101. TAX METHOD

11 Sec. 9005.102. AUTHORITY TO ISSUE BONDS

12 Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY

13 CHAPTER 9005. BELL COUNTY WATER CONTROL AND  
14 IMPROVEMENT DISTRICT NO. 1

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 9005.001. DEFINITIONS. In this chapter:

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

19 (2) "District" means the Bell County Water Control and  
20 Improvement District No. 1. (New.)

21 Sec. 9005.002. FINDING OF BENEFIT. The legislature finds  
22 that all property in the district will benefit from the  
23 improvements constructed, acquired, leased, or operated by the  
24 district. (V.A.C.S. Art. 8280-189, Sec. 3 (part).)

25 Sec. 9005.003. DISTRICT TERRITORY. The district is  
26 composed of the territory described by Section 1, Chapter 523, Acts  
27 of the 54th Legislature, Regular Session, 1955 (Article 8280-189,



1 Vernon's Texas Civil Statutes), as that territory may have been  
2 modified under:

3 (1) Subchapter J, Chapter 49, Water Code;

4 (2) Subchapter O, Chapter 51, Water Code, before  
5 September 1, 1995;

6 (3) former Section 4A, Chapter 523, Acts of the 54th  
7 Legislature, Regular Session, 1955 (Article 8280-189, Vernon's  
8 Texas Civil Statutes); or

9 (4) other law. (New.)

10 Sec. 9005.004. ANNEXATION OF TERRITORY. (a) If an election  
11 concerning the annexation of territory to the district would result  
12 in the district boundaries becoming coterminous with the boundaries  
13 of the City of Killeen, the board, in a separate proposition, may  
14 submit the question of whether to automatically extend the  
15 boundaries of the district to include territory the City of Killeen  
16 annexes that is not already included in the district.

17 (b) Land annexed by the City of Killeen under Subsection (a)  
18 is part of the district only after:

19 (1) the annexed area assumes its pro rata share of all  
20 bonds, notes, or other obligations or taxes owed, contracted, or  
21 authorized by the district; and

22 (2) that assumption is approved at an election held in  
23 the district as enlarged as a result of the annexation. (V.A.C.S.  
24 Art. 8280-189, Sec. 4A (part).)

25 [Sections 9005.005-9005.050 reserved for expansion]

26 SUBCHAPTER B. POWERS AND DUTIES

27 Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER LAW.

1 The district has all powers granted to water control and  
2 improvement districts under the general laws of this state.  
3 (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

4 Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL  
5 FACILITIES OR PROPERTIES. (a) The district may contract with the  
6 United States or any officer of the United States to lease or  
7 operate a facility or other property owned by the United States,  
8 inside or outside the district, to:

9 (1) supply, transport, and distribute fresh water,  
10 including a contract regarding water rights to appropriate and use  
11 public waters from the Leon River or Belton Reservoir; and

12 (2) collect, treat, and dispose of wastewater and  
13 sewage, including a contract regarding maintenance, repair,  
14 extension, or improvement of the facilities or other property.

15 (b) The contract provisions must be, as determined by the  
16 board, in the district's best interests in providing a water supply  
17 and sanitary sewer service for persons who reside in and in the  
18 vicinity of the district.

19 (c) The contract's initial period may not exceed 40 years.  
20 (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

21 Sec. 9005.053. PURCHASE OR USE OF WATER. (a) The district  
22 may:

23 (1) acquire a water or a water supply facility inside  
24 or outside the district from any person, including:

25 (A) this state or any agency or subdivision of  
26 this state; and

27 (B) the United States; and

1           (2) treat, use, distribute, and sell, inside or  
2 outside the district, any water the district acquires.

3           (b) Before exercising a power under Subsection (a), the  
4 board must determine that adequate provisions can be made to  
5 continue to serve the water requirements in the district.

6           (c) The district's powers under this section are under the  
7 continuing supervision of the Texas Commission on Environmental  
8 Quality under Chapters 5 and 6, Water Code. (V.A.C.S. Art.  
9 8280-189, Sec. 4C.)

10           [Sections 9005.054-9005.100 reserved for expansion]

11                           SUBCHAPTER C. FINANCIAL PROVISIONS

12           Sec. 9005.101. TAX METHOD. The district shall use the ad  
13 valorem method of taxation for all authorized taxes. (V.A.C.S.  
14 Art. 8280-189, Sec. 3 (part).)

15           Sec. 9005.102. AUTHORITY TO ISSUE BONDS. (a) In this  
16 section, "district property" means the district's improvements,  
17 including property operated by the district under a lease.

18           (b) The district may call a bond election and issue bonds in  
19 the manner and for the purposes provided in Chapters 49 and 51,  
20 Water Code. In addition to the purposes under those chapters, the  
21 district may vote on and issue bonds to:

22                           (1) acquire materials, supplies, equipment, and other  
23 property needed or useful to maintain district property; and

24                           (2) extend, enlarge, improve, or repair district  
25 property.

26           (c) If bonds are voted on and issued in connection with  
27 property to be operated by the district under lease, the engineer's

1 report must include a summary of the proposed expenditures of the  
2 bond proceeds. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

3 Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY. The  
4 district may cancel, by order adopted by the board, the authority to  
5 issue the \$4.5 million bonds authorized at an election held within  
6 the district on August 30, 1952, to construct or purchase water and  
7 sewer facilities the United States has undertaken to construct.  
8 (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

9 CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 9006.001. DEFINITIONS

12 Sec. 9006.002. NATURE OF AUTHORITY

13 Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

14 Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION

15 Sec. 9006.005. APPLICABILITY OF OTHER LAW

16 [Sections 9006.006-9006.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 9006.051. COMPOSITION

19 Sec. 9006.052. ELIGIBILITY TO SERVE

20 [Sections 9006.053-9006.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 9006.101. GENERAL POWERS

23 Sec. 9006.102. LIMIT ON IMPOUNDING WATER

24 Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER

25 Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY

26 [Sections 9006.105-9006.200 reserved for expansion]

1 SUBCHAPTER D. FINANCIAL PROVISIONS

2 Sec. 9006.201. ISSUANCE OF BONDS

3 Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS

4 Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN

5 Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING

6 Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES

7 Sec. 9006.206. MAINTENANCE TAX RATE

8 Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION

9 CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 9006.001. DEFINITIONS. In this chapter:

12 (1) "Authority" means the Clear Creek Watershed  
13 Authority.

14 (2) "Board" means the authority's board of directors.  
15 (New.)

16 Sec. 9006.002. NATURE OF AUTHORITY. The Clear Creek  
17 Watershed Authority is a conservation and reclamation district  
18 created to control, store, preserve, and distribute storm and flood  
19 waters along Clear Creek and tributaries in Cooke, Denton,  
20 Montague, and Wise Counties, as authorized by Section 59, Article  
21 XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Sec. 1 (part).)

22 Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The authority is created to serve a public use and benefit.

24 (b) All territory and other property included within the  
25 boundaries of the authority will benefit from the projects,  
26 improvements, works, and measures to be constructed and  
27 accomplished by the authority under powers conferred by Section 59,

1 Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Secs. 2  
2 (part), 6 (part).)

3 Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION. (a) The  
4 authority is composed of portions of Cooke, Denton, Montague, and  
5 Wise Counties as described by Sections 2 and 2a, Chapter 372, Acts  
6 of the 56th Legislature, Regular Session, 1959 (Article 8280-234,  
7 Vernon's Texas Civil Statutes), as that territory may have been  
8 modified under:

9 (1) Subchapter O, Chapter 51, Water Code, before  
10 September 1, 1995;

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

12 (3) other law.

13 (b) An error or discrepancy in the field notes of the  
14 authority's boundaries contained in Section 2, Chapter 372, Acts of  
15 the 56th Legislature, Regular Session, 1959 (Article 8280-234,  
16 Vernon's Texas Civil Statutes), does not affect the validity of the  
17 authority or any of its powers. (V.A.C.S. Art. 8280-234, Secs. 1  
18 (part), 2 (part); New.)

19 Sec. 9006.005. APPLICABILITY OF OTHER LAW. Except as  
20 provided in this chapter, general laws pertaining to water control  
21 and improvement districts govern the authority. (V.A.C.S. Art.  
22 8280-234, Sec. 11.)

23 [Sections 9006.006-9006.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 9006.051. COMPOSITION. The board consists of nine  
26 directors. (V.A.C.S. Art. 8280-234, Sec. 12 (part).)

27 Sec. 9006.052. ELIGIBILITY TO SERVE. A director of the

1 authority or any subordinate district must be a landowner within  
2 the authority and reside in Cooke, Denton, Montague, or Wise  
3 County. A director who fails to meet the requirements of this  
4 section shall vacate the director's office. (V.A.C.S. Art.  
5 8280-234, Sec. 12 (part).)

6 [Sections 9006.053-9006.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 9006.101. GENERAL POWERS. To accomplish a purpose for  
9 which the authority is created, the authority has the powers  
10 conferred by the general laws of this state on water control and  
11 improvement districts, including the power to:

12 (1) construct, acquire, improve, maintain, or repair a  
13 dam or other structure; and

14 (2) acquire land, easements, equipment, or other  
15 property needed to use, control, or distribute storm or flood  
16 waters that may be impounded, diverted, or controlled by the  
17 authority. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

18 Sec. 9006.102. LIMIT ON IMPOUNDING WATER. The authority's  
19 right to impound water is subject to a prior grant or permit issued  
20 by the Texas Commission on Environmental Quality. (V.A.C.S. Art.  
21 8280-234, Sec. 11a.)

22 Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER. The  
23 authority may not exercise the power of eminent domain outside  
24 authority boundaries. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

25 Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY. If  
26 the authority in the exercise of the power of eminent domain, the  
27 power of relocation, or any other powers granted under this chapter

1 makes necessary relocating, raising, rerouting, changing the grade  
2 of, or altering the construction of any highway, railroad, electric  
3 transmission line, telephone or telegraph property or facility, or  
4 pipeline, the authority or the subordinate district is solely  
5 responsible for the expense of that necessary action. (V.A.C.S.  
6 Art. 8280-234, Sec. 4 (part).)

7 [Sections 9006.105-9006.200 reserved for expansion]

8 SUBCHAPTER D. FINANCIAL PROVISIONS

9 Sec. 9006.201. ISSUANCE OF BONDS. To accomplish an  
10 authority purpose and to obtain money necessary to furnish land or  
11 easements or permanent improvements on the land or easements, the  
12 authority may issue and secure bonds as provided by general law for  
13 water control and improvement districts. (V.A.C.S. Art. 8280-234,  
14 Sec. 6 (part).)

15 Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS. When the  
16 board selects a plan of taxation, the board may pledge authority  
17 revenue to pay bonds authorized by voters. (V.A.C.S. Art.  
18 8280-234, Sec. 7.)

19 Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN. The  
20 authority shall use the ad valorem plan of taxation. (V.A.C.S. Art.  
21 8280-234, Sec. 6 (part).)

22 Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING. (a)  
23 Except as provided by Subsection (b), after adopting a plan or  
24 method of taxation, the authority may call a hearing to consider  
25 changing the method of taxation. The authority shall call the  
26 hearing in the same manner used for the hearing to adopt the  
27 original plan of taxation.



1 (b) Once bonds are approved by the attorney general or  
2 district court, the political subdivision issuing the bonds may not  
3 change its plan of taxation. (V.A.C.S. Art. 8280-234, Sec. 8.)

4 Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES. (a) A  
5 maintenance tax election shall be called and notice given in the  
6 same manner as provided for a bond election.

7 (b) This chapter does not prevent the calling of a later  
8 maintenance tax election to establish or increase the amount of tax  
9 if the board determines that a maintenance tax election is  
10 required. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

11 Sec. 9006.206. MAINTENANCE TAX RATE. In calling a  
12 maintenance tax election, the board must specify the maximum  
13 proposed tax rate. To impose a maintenance tax at a rate that  
14 exceeds the maximum proposed rate approved by the voters, the board  
15 must submit the question of a tax rate increase to the voters.  
16 (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

17 Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION. The  
18 authority is liable for ad valorem taxes imposed by a county,  
19 municipality, or school district on property owned by the  
20 authority. (V.A.C.S. Art. 8280-234, Sec. 13.)

21 CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND  
22 IMPROVEMENT DISTRICT NO. 1

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 9007.001. DEFINITIONS

25 [Sections 9007.002-9007.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 9007.051. COMPOSITION; TERM

1 Sec. 9007.052. DIRECTOR QUALIFICATIONS

2 Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT

3 Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER;

4 APPLICABILITY OF OTHER LAW

5 [Sections 9007.055-9007.100 reserved for expansion]

6 SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

7 Sec. 9007.101. AUTHORITY TO EXCLUDE LAND

8 Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES

9 Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION

10 [Sections 9007.104-9007.150 reserved for expansion]

11 SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING

12 Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY

13 Sec. 9007.152. GROUNDS FOR HEARING

14 Sec. 9007.153. NOTICE OF HEARING; PUBLICATION

15 Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS

16 Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL

17 Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION.

18 Sec. 9007.157. EFFECT OF EXCLUSION

19 Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS

20 Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY

21 CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND

22 IMPROVEMENT DISTRICT NO. 1

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 9007.001. DEFINITIONS. In this chapter:

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

27 (2) "District" means the Bexar-Medina-Atascosa

1 Counties Water Control and Improvement District No. 1. (Acts 73rd  
2 Leg., R.S., Ch. 370, Sec. 1; Acts 74th Leg., R.S., Ch. 544, Sec. 1.)

3 [Sections 9007.002-9007.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 9007.051. COMPOSITION; TERM. (a) The district is  
6 governed by a board of seven directors elected to staggered  
7 four-year terms.

8 (b) Five directors are elected from single-member  
9 precincts. Two directors are elected at large. (Acts 74th Leg.,  
10 R.S., Ch. 544, Secs. 2(f), 3 (part).)

11 Sec. 9007.052. DIRECTOR QUALIFICATIONS. (a) A person  
12 seeking to represent a single-member precinct of the district must  
13 own land in the precinct the person seeks to represent.

14 (b) A person seeking to represent the district at large must  
15 own land in the district. (Acts 74th Leg., R.S., Ch. 544, Sec. 4.)

16 Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT. A  
17 person seeking to be placed on the ballot for a board election must:

18 (1) indicate that the person wishes to run for a  
19 position representing the district at large; or

20 (2) identify the single-member precinct from which the  
21 person wishes to run. (Acts 74th Leg., R.S., Ch. 544, Sec. 5.)

22 Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER;  
23 APPLICABILITY OF OTHER LAW. Section 49.056(c), Water Code, does  
24 not apply to the district. (Acts 76th Leg., R.S., Ch. 1104, Sec.  
25 2(d).)

26 [Sections 9007.055-9007.100 reserved for expansion]

1 SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

2 Sec. 9007.101. AUTHORITY TO EXCLUDE LAND. (a) The board by  
3 resolution may exclude from the district land that:

4 (1) is inside the district but was not included in the  
5 district when the district was created; and

6 (2) has been subdivided into town lots and blocks,  
7 with streets or other thoroughfares dedicated to the use of the  
8 public.

9 (b) A map and the dedication of the land must be filed for  
10 record with the county clerk of the county in which the land is  
11 located before the board adopts the resolution to exclude the land.  
12 (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

13 Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES. The  
14 secretary of the district shall enter a resolution passed under  
15 Section 9007.101 in the board's minutes. (Acts 63rd Leg., R.S., Ch.  
16 605, Sec. 1 (part).)

17 Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION. From and  
18 after the time the secretary of the district enters a resolution  
19 under Section 9007.102, the excluded land is no longer:

20 (1) part of the district; or

21 (2) entitled to be served with water by the district.

22 (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

23 [Sections 9007.104-9007.150 reserved for expansion]

24 SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING

25 Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY. The board  
26 may exclude property from the district if the board, after notice  
27 and hearing, finds that exclusion of the property is in the best

1 interest of the district and that:

2 (1) the property is not irrigable with water purchased  
3 from the district because:

4 (A) the district cannot deliver water by gravity  
5 flow to a high point on the property to irrigate the property;

6 (B) the property is subdivided into tracts of  
7 less than 10 acres; or

8 (C) the property is subdivided into town lots,  
9 town lots and blocks, or similar small parcels of any size that will  
10 not be used for agricultural purposes or are suitable for a  
11 residential, commercial, or other nonagricultural purpose; or

12 (2) the property has not been irrigated with water  
13 purchased from the district for a period of not less than three  
14 years before the date the notice for the hearing is mailed. (Acts  
15 73rd Leg., R.S., Ch. 370, Sec. 2.)

16 Sec. 9007.152. GROUNDS FOR HEARING. If the board has  
17 information that property located in the district is not irrigated  
18 or irrigable, the board may call and hold a hearing to determine  
19 whether to exclude the property from the district. (Acts 73rd Leg.,  
20 R.S., Ch. 370, Sec. 3(a).)

21 Sec. 9007.153. NOTICE OF HEARING; PUBLICATION. (a) The  
22 board, by certified mail, return receipt requested, shall issue to  
23 each owner of property in the area proposed to be excluded a written  
24 notice of a hearing to be held under this subchapter. For purposes  
25 of this subsection, the board shall use the current tax rolls of the  
26 district to determine property ownership.

27 (b) The board shall issue a notice under Subsection (a) not

1 earlier than the 21st day and not later than the 16th day before the  
2 date of a hearing held under this subchapter. The notice must:

- 3 (1) describe the property proposed to be excluded;
- 4 (2) describe the basis for the proposed exclusion;
- 5 (3) state the time, date, and location of the hearing;

6 and

- 7 (4) advise that an interested property owner has the  
8 right to appear at the hearing to offer evidence to contest the  
9 proposed exclusion.

10 (c) The board shall publish notice of a hearing to be held  
11 under this subchapter at least once a week for two consecutive weeks  
12 in a newspaper of general circulation in each county in which the  
13 property proposed to be excluded is located. The first published  
14 notice must appear in the newspaper not earlier than the 40th day  
15 and not later than the 16th day before the date of the hearing. The  
16 notice must:

- 17 (1) describe the property proposed to be excluded;
- 18 (2) state the time, date, and location of the hearing;

19 and

- 20 (3) advise that an interested property owner has the  
21 right to appear at the hearing and to offer evidence to contest the  
22 proposed exclusion. (Acts 73rd Leg., R.S., Ch. 370, Secs. 3(b),  
23 (c).)

24 Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS. If  
25 the district has outstanding bonded indebtedness, or indebtedness  
26 under a loan from a governmental agency, a written consent from an  
27 authorized representative of the holder or holders of the

1 indebtedness consenting to an exclusion of land from the district  
2 under this subchapter shall be obtained and filed with the district  
3 before a hearing is held under this subchapter. (Acts 73rd Leg.,  
4 R.S., Ch. 370, Sec. 6.)

5 Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL. An interested  
6 person may:

7 (1) bring a suit to review an exclusion order issued  
8 under this subchapter in the manner provided by Section 49.308,  
9 Water Code; and

10 (2) appeal as provided by Section 49.308(c), Water  
11 Code. (Acts 73rd Leg., R.S., Ch. 370, Sec. 4.)

12 Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION. (a) The  
13 district shall record a copy of an exclusion order issued under this  
14 subchapter in the real property records of the county in which the  
15 excluded property is located. The copy of the order must be  
16 certified and acknowledged by the secretary of the board.

17 (b) The board shall provide a copy of the order to the Texas  
18 Commission on Environmental Quality not later than the 30th day  
19 after the date the board issues the order. (Acts 73rd Leg., R.S.,  
20 Ch. 370, Secs. 5, 8.)

21 Sec. 9007.157. EFFECT OF EXCLUSION. (a) Property excluded  
22 under this subchapter is not a part of the district and is not  
23 entitled to purchase water from or to receive any other service from  
24 the district.

25 (b) A tax, assessment, or other charge on the excluded  
26 property that is owed to the district at the time the exclusion  
27 order takes effect remains the obligation of the owner of the

1 excluded property and continues to be secured by any statutory  
2 liens on the property.

3 (c) After property is excluded under this subchapter, the  
4 owner of the property is not liable to the district for future  
5 taxes, assessments, or other charges of the district based on the  
6 excluded property. (Acts 73rd Leg., R.S., Ch. 370, Sec. 7.)

7 Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS. An  
8 exclusion order issued under this subchapter does not affect or  
9 interfere with any rights that the district has to maintain and  
10 continue operation of an easement, canal, ditch, pipeline, pump, or  
11 other district facility that is located on the excluded property  
12 for the purpose of servicing property remaining in the district.  
13 (Acts 73rd Leg., R.S., Ch. 370, Sec. 9.)

14 Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY. (a) At  
15 the sole discretion of the board, after the board issues an  
16 exclusion order under this subchapter, property may be added to the  
17 district if the property is:

18 (1) practically irrigable with water purchased from  
19 the district; and

20 (2) in the aggregate less than or equal to the acreage  
21 of property excluded under the exclusion order.

22 (b) Property may be added to the district under this section  
23 only if the owner of the property files a petition requesting  
24 inclusion. If the owner requesting inclusion already has acreage  
25 within the district, all taxes and other assessments owed to the  
26 district by the owner must be current before the board may consider  
27 the petition requesting inclusion. (Acts 73rd Leg., R.S., Ch. 370,



1 Sec. 10.)

2 SECTION 1.09. Subtitle J, Title 6, Special District Local  
3 Laws Code, is amended by adding Chapter 9302 to read as follows:

4 CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND  
5 RECLAMATION DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 9302.001. DEFINITIONS

8 Sec. 9302.002. CREATION; NATURE OF DISTRICT

9 Sec. 9302.003. LEGISLATIVE FINDINGS

10 Sec. 9302.004. LIBERAL CONSTRUCTION OF CHAPTER

11 Sec. 9302.005. CORRECTION OF INVALID PROCEDURES

12 Sec. 9302.006. DISTRICT TERRITORY

13 Sec. 9302.007. APPLICABILITY OF OTHER LAW

14 [Sections 9302.008-9302.050 reserved for expansion]

15 SUBCHAPTER B. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

16 Sec. 9302.051. COMPOSITION OF BOARD

17 Sec. 9302.052. ELIGIBILITY TO SERVE

18 Sec. 9302.053. DIRECTORS ELECTION

19 Sec. 9302.054. BALLOT PROCEDURE FOR CANDIDATE

20 Sec. 9302.055. APPOINTMENT OF SECRETARY

21 Sec. 9302.056. VOTE BY BOARD PRESIDENT

22 Sec. 9302.057. BOND

23 Sec. 9302.058. COMPENSATION OF DIRECTORS

24 Sec. 9302.059. MEETINGS

25 Sec. 9302.060. DISTRICT RECORDS

26 Sec. 9302.061. DISTRICT OFFICE

27 [Sections 9302.062-9302.100 reserved for expansion]

- 1                   SUBCHAPTER C. POWERS AND DUTIES
- 2   Sec. 9302.101.   GENERAL POWERS
- 3   Sec. 9302.102.   GENERAL WATER SUPPLY POWERS
- 4   Sec. 9302.103.   SEAL
- 5   Sec. 9302.104.   SURVEYS AND INVESTIGATIONS
- 6   Sec. 9302.105.   PAYMENT OF EXPENSES
- 7   Sec. 9302.106.   DISPOSAL OR LEASE OF DISTRICT PROPERTY
- 8   Sec. 9302.107.   RESTRICTION ON DISTRICT WORKS,
- 9                   IMPROVEMENTS, AND FACILITIES
- 10   Sec. 9302.108.   CONSTRUCTION ON PUBLIC LAND
- 11   Sec. 9302.109.   ACQUISITION OF PROPERTY; EMINENT DOMAIN
- 12   Sec. 9302.110.   COST OF RELOCATING OR ALTERING PROPERTY
- 13   Sec. 9302.111.   SANITARY SEWER SYSTEM
- 14   Sec. 9302.112.   ACQUISITION OF WATER STORAGE AND
- 15                   STORAGE CAPACITY
- 16   Sec. 9302.113.   CONSTRUCTION OR MAINTENANCE OF SEWER
- 17                   SYSTEM PROHIBITED
- 18   Sec. 9302.114.   ARRANGEMENTS WITH UNITED STATES
- 19   Sec. 9302.115.   CONTRACTS AND COOPERATION WITH STATE
- 20                   AND POLITICAL SUBDIVISIONS
- 21   Sec. 9302.116.   AWARD OF CERTAIN CONTRACTS
- 22   Sec. 9302.117.   WATER SUPPLY CONTRACTS
- 23                   [Sections 9302.118-9302.150 reserved for expansion]
- 24                   SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 25   Sec. 9302.151.   TAXES AND ASSESSMENTS PROHIBITED
- 26   Sec. 9302.152.   DEPOSITORY
- 27   Sec. 9302.153.   FORM OF RECORDS AND ACCOUNTS

1 Sec. 9302.154. PROJECTS EXEMPT FROM ASSESSMENT OR  
2 TAXATION

3 [Sections 9302.155-9302.200 reserved for expansion]

4 SUBCHAPTER E. BONDS

5 Sec. 9302.201. AUTHORITY TO ISSUE REVENUE BONDS

6 Sec. 9302.202. INTERIM BONDS

7 Sec. 9302.203. REFUNDING BONDS

8 Sec. 9302.204. FORM OF BONDS

9 Sec. 9302.205. MATURITY

10 Sec. 9302.206. BOND SECURITY

11 Sec. 9302.207. TRUST INDENTURE

12 Sec. 9302.208. ADDITIONAL SECURITY

13 Sec. 9302.209. WATER RATES AND OTHER COMPENSATION

14 Sec. 9302.210. USE OF BOND PROCEEDS

15 Sec. 9302.211. APPOINTMENT OF RECEIVER

16 Sec. 9302.212. COMMISSION SUPERVISION OF PLANS AND  
17 SPECIFICATIONS

18 Sec. 9302.213. REVIEW AND APPROVAL OF CONTRACTS  
19 RELATING TO BONDS

20 Sec. 9302.214. BONDS EXEMPT FROM TAXATION

21 CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND  
22 RECLAMATION DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 9302.001. DEFINITIONS. In this chapter:

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

26 (2) "District" means the Aransas County Conservation  
27 and Reclamation District. (V.A.C.S. Art. 8280-296, Sec. 1 (part));

1 New.)

2           Sec. 9302.002. CREATION; NATURE OF DISTRICT. (a) The  
3 district is a conservation and reclamation district and a political  
4 subdivision created under Section 59, Article XVI, Texas  
5 Constitution.

6           (b) A court shall take judicial notice of the district's  
7 creation. (V.A.C.S. Art. 8280-296, Secs. 1 (part), 3 (part).)

8           Sec. 9302.003. LEGISLATIVE FINDINGS. (a) The legislature  
9 finds that:

10           (1) the district will benefit all of the area of the  
11 district;

12           (2) the district will serve a public use and be a  
13 public benefit;

14           (3) the district is essential to the accomplishment of  
15 the preservation and conservation of the natural resources of this  
16 state; and

17           (4) the district's creation is in the public interest.

18           (b) The accomplishment of the purposes stated in this  
19 chapter are for the benefit of the people of this state and for the  
20 improvement of their properties and industries. The district in  
21 carrying out the purposes of this chapter will be performing an  
22 essential public function under the constitution of this state.  
23 (V.A.C.S. Art. 8280-296, Secs. 1 (part), 13 (part), 17 (part).)

24           Sec. 9302.004. LIBERAL CONSTRUCTION OF CHAPTER. This  
25 chapter shall be liberally construed to effect its purposes.  
26 (V.A.C.S. Art. 8280-296, Sec. 17 (part).)

27           Sec. 9302.005. CORRECTION OF INVALID PROCEDURES. If a

1 court holds that a procedure under this chapter violates the  
 2 constitution of this state or of the United States, the district by  
 3 resolution may provide an alternative procedure that conforms to  
 4 the constitution. (V.A.C.S. Art. 8280-296, Sec. 18 (part); Acts  
 5 62nd Leg., R.S., Ch. 582, Sec. 2 (part).)

6 Sec. 9302.006. DISTRICT TERRITORY. Unless the district  
 7 boundaries have been modified under Subchapter J, Chapter 49, Water  
 8 Code, or other law:

9 (1) the district's boundaries are coextensive with the  
 10 boundaries of Aransas County; and

11 (2) the district's territory does not include any  
 12 territory that on May 31, 1963, was included in a water control and  
 13 improvement district. (V.A.C.S. Art. 8280-296, Sec. 1 (part); New.)

14 Sec. 9302.007. APPLICABILITY OF OTHER LAW. Any law that  
 15 the district considers helpful to the district in carrying out the  
 16 district's purposes applies to the district, and the district has  
 17 all the power necessary to fully qualify for and gain the benefits  
 18 of that law. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

19 [Sections 9302.008-9302.050 reserved for expansion]

20 SUBCHAPTER B. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

21 Sec. 9302.051. COMPOSITION OF BOARD. The board consists of  
 22 six directors. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

23 Sec. 9302.052. ELIGIBILITY TO SERVE. A director must  
 24 reside in and own land in the district. (V.A.C.S. Art. 8280-296,  
 25 Sec. 2(a) (part).)

26 Sec. 9302.053. DIRECTORS ELECTION. (a) Notice of a  
 27 directors election shall be published in a newspaper of general

1 circulation in the district one time at least 30 days before the  
2 date of the election.

3 (b) The election order must state the time and places at  
4 which the election will be held and the purpose of the election.

5 (c) The board shall declare elected the three candidates who  
6 receive the highest number of votes. (V.A.C.S. Art. 8280-296, Sec.  
7 2(c) (part).)

8 Sec. 9302.054. BALLOT PROCEDURE FOR CANDIDATE. (a) A  
9 person who wants to have the person's name printed on the ballot as  
10 a candidate for director must submit a petition to the board's  
11 secretary requesting that action.

12 (b) The petition must be:

13 (1) signed by at least 10 qualified voters; and

14 (2) presented to the board's secretary not later than  
15 the 10th day before the date of the election. (V.A.C.S. Art.  
16 8280-296, Sec. 2(d).)

17 Sec. 9302.055. APPOINTMENT OF SECRETARY. The board shall  
18 appoint a secretary, who is not required to be a director.  
19 (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

20 Sec. 9302.056. VOTE BY BOARD PRESIDENT. The president has  
21 the same right to vote as any other director. (V.A.C.S.  
22 Art. 8280-296, Sec. 2(g) (part).)

23 Sec. 9302.057. BOND. Each director shall execute a bond for  
24 \$5,000 conditioned on the faithful performance of the person's  
25 duties as director. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

26 Sec. 9302.058. COMPENSATION OF DIRECTORS. Unless the board  
27 by resolution increases the amount received by a director to an

1 amount authorized by Section 49.060, Water Code, a director shall  
2 receive \$25 for each board meeting the director attends. The amount  
3 received in a calendar month may not exceed \$100. (V.A.C.S. Art.  
4 8280-296, Sec. 2(f) (part).)

5 Sec. 9302.059. MEETINGS. (a) The board shall hold  
6 regular meetings at least once a month at the time and place fixed  
7 by board resolution or board bylaws.

8 (b) The president or any two directors may call a special  
9 meeting if necessary to administer district business.

10 (c) The secretary shall mail notice of the special meeting  
11 to each director not later than the fifth day before the date of the  
12 meeting.

13 (d) A director in writing may waive notice of special  
14 meetings. (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

15 Sec. 9302.060. DISTRICT RECORDS. The board's accounts of  
16 its meetings and proceedings and its minutes, contracts, notices,  
17 accounts, receipts, and other records are subject to public  
18 inspection. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

19 Sec. 9302.061. DISTRICT OFFICE. The board shall maintain  
20 an office in the district for conducting district business.  
21 (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

22 [Sections 9302.062-9302.100 reserved for expansion]

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 9302.101. GENERAL POWERS. The district may perform  
25 any act necessary or proper to carry out a district purpose.  
26 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

27 Sec. 9302.102. GENERAL WATER SUPPLY POWERS. (a) The

1 district may develop an adequate supply of fresh water and may  
2 process, transport, and distribute fresh water for municipal,  
3 domestic, irrigation, and industrial purposes.

4 (b) The district may:

5 (1) develop, construct, lease, or purchase dams,  
6 reservoirs, underground and other sources of water, and any other  
7 facilities necessary or useful to:

8 (A) provide a source of water supply; and

9 (B) store, process, transport, and distribute  
10 water for municipal, domestic, irrigation, and industrial  
11 purposes;

12 (2) purchase water or a water supply from any person,  
13 including this state, a public agency, or the United States;

14 (3) at the board's discretion, contract and combine  
15 with one or more large users of water to acquire a joint water  
16 supply or an agreed allocation of water storage or contract  
17 independently for the district's water supply; and

18 (4) acquire water appropriation permits directly from  
19 the Texas Commission on Environmental Quality or from owners of  
20 permits. (V.A.C.S. Art. 8280-296, Secs. 3 (part), 15 (part).)

21 Sec. 9302.103. SEAL. The district may adopt a corporate  
22 seal. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

23 Sec. 9302.104. SURVEYS AND INVESTIGATIONS. The district  
24 may conduct or arrange for a survey or an engineering investigation  
25 to provide information for the district to facilitate the  
26 accomplishment of a district purpose. (V.A.C.S. Art. 8280-296,  
27 Sec. 3 (part).)



1           Sec. 9302.105. PAYMENT OF EXPENSES. The district may pay an  
2 expenditure considered essential to:

3                   (1) an investigation; or

4                   (2) the organization, operation, or maintenance of the  
5 district. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

6           Sec. 9302.106. DISPOSAL OR LEASE OF DISTRICT PROPERTY. (a)  
7 The district may dispose of property or a property right that is not  
8 needed for a district purpose.

9                   (b) The district may lease property or a property right for  
10 a purpose that does not interfere with the use of district property.  
11 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

12           Sec. 9302.107. RESTRICTION ON DISTRICT WORKS,  
13 IMPROVEMENTS, AND FACILITIES. Except as provided by Section  
14 9302.111, the district may provide only the works, improvements,  
15 and facilities that the board finds necessary and useful to develop  
16 a source of fresh water or provide and distribute fresh water.  
17 (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

18           Sec. 9302.108. CONSTRUCTION ON PUBLIC LAND. (a) The  
19 district may construct any necessary work or improvement over,  
20 across, and along:

21                   (1) a public stream, road, or highway; and

22                   (2) land belonging to this state.

23                   (b) A plan for an improvement under Subsection (a) or a  
24 state highway is subject to the approval of the Texas Department of  
25 Transportation. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

26           Sec. 9302.109. ACQUISITION OF PROPERTY; EMINENT DOMAIN.  
27 (a) The district may acquire land, easements, rights-of-way, or

1 other property in or outside the district that is incident to or  
2 helpful in carrying out a district purpose. The district may make  
3 the acquisition by device or lease-purchase or by exercising the  
4 power of eminent domain.

5 (b) The district must exercise the power of eminent domain  
6 in the manner provided by Chapter 21, Property Code.

7 (c) The district may not:

8 (1) exercise the power of eminent domain outside  
9 Aransas County; or

10 (2) apply the power of eminent domain to a private  
11 water supply. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

12 Sec. 9302.110. COST OF RELOCATING OR ALTERING PROPERTY.

13 (a) If the district, in the exercise of the power of eminent  
14 domain, the power of relocation, or another power granted under  
15 this chapter, makes necessary taking property or relocating,  
16 raising, rerouting, changing the grade of, or altering the  
17 construction of a highway, railroad, electric transmission line,  
18 telephone or telegraph property or facility, or pipeline, the  
19 district shall pay for the necessary action.

20 (b) The district's duty to pay under this section is limited  
21 to the actual cost, without enhancement, of the property taken or  
22 work required, after deducting any net salvage value derived from  
23 property taken. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

24 Sec. 9302.111. SANITARY SEWER SYSTEM. (a) In this section,  
25 "sanitary sewer system" means the works, facilities, plants,  
26 equipment, and appliances incident, helpful, or necessary to the  
27 collection, transportation, processing, disposal, and control of

1 all domestic, industrial, or communal wastes, including fluids,  
2 solids, or composites.

3 (b) The district may purchase, acquire, construct, operate,  
4 maintain, improve, and extend a sanitary sewer system. (V.A.C.S.  
5 Art. 8280-296, Sec. 3(a) (part).)

6 Sec. 9302.112. ACQUISITION OF WATER STORAGE AND STORAGE  
7 CAPACITY. (a) The district may lease or otherwise acquire rights  
8 to storage and storage capacity in a reservoir constructed or to be  
9 constructed by any person, including this state, a public agency of  
10 this state, or the United States.

11 (b) The district may purchase storage capacity for water  
12 from any person, including this state, a public agency of this  
13 state, or the United States. (V.A.C.S. Art. 8280-296; Sec. 15  
14 (part).)

15 Sec. 9302.113. CONSTRUCTION OR MAINTENANCE OF SEWER SYSTEM  
16 PROHIBITED. Except as provided by Section 9302.111, the district  
17 may not construct or maintain a sewer system. (V.A.C.S. Art.  
18 8280-296, Sec. 3 (part).)

19 Sec. 9302.114. ARRANGEMENTS WITH UNITED STATES. (a) The  
20 district may cooperate with, contract with, or receive a grant,  
21 loan, or advancement from the United States to exercise a district  
22 power or to further a district purpose.

23 (b) The district may contribute to the United States in  
24 connection with any project undertaken by the United States that  
25 affects or relates to a district purpose. (V.A.C.S. Art. 8280-296,  
26 Sec. 3 (part).)

27 Sec. 9302.115. CONTRACTS AND COOPERATION WITH STATE AND

1 POLITICAL SUBDIVISIONS. The district may cooperate and contract  
2 with this state or a political subdivision of this state to carry  
3 out a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

4 Sec. 9302.116. AWARD OF CERTAIN CONTRACTS. (a) This  
5 section applies only to a construction contract or a contract for  
6 the purchase of materials, equipment, or supplies requiring an  
7 expenditure of more than \$2,000.

8 (b) This section does not apply to the purchase of water or a  
9 water system or facility existing at the time of the purchase.

10 (c) The district shall award a contract to the lowest and  
11 best bidder after publishing notice to bidders once a week for two  
12 weeks in a newspaper published in Aransas County that is designated  
13 by the board.

14 (d) The notice must state:

15 (1) the time and place for opening the bids;

16 (2) the general nature of the work to be done under the  
17 contract or the material, equipment, or supplies to be purchased  
18 under the contract; and

19 (3) the location at which and the terms on which copies  
20 of the plans and specifications may be obtained. (V.A.C.S. Art.  
21 8280-296, Sec. 4.)

22 Sec. 9302.117. WATER SUPPLY CONTRACTS. (a) The district  
23 may contract with a municipality or other person to supply water  
24 services to the municipality or person.

25 (b) The district may contract with a municipality to rent,  
26 lease, or operate the municipality's facilities for water  
27 production, supply, filtration, or purification.

1 (c) The parties to the contract may agree on the contract  
2 terms, including consideration and duration.

3 (d) The contract may provide that the contract continues in  
4 effect until any bonds specified in the contract, and any refunding  
5 bonds issued for those bonds, are paid. (V.A.C.S. Art. 8280-296,  
6 Sec. 14.)

7 [Sections 9302.118-9302.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 9302.151. TAXES AND ASSESSMENTS PROHIBITED. The  
10 district may not:

- 11 (1) impose a tax or assessment; or  
12 (2) create a debt or issue a bond payable from a tax or  
13 assessment. (V.A.C.S. Art. 8280-296, Secs. 3(a) (part), 5(b)  
14 (part).)

15 Sec. 9302.152. DEPOSITORY. (a) The board shall select one  
16 or more banks in the district to serve as a depository for district  
17 money.

18 (b) All district money shall be deposited with the  
19 depository bank or banks, except that sufficient money must be  
20 remitted to the bank or banks of payment to pay the principal of and  
21 interest on the district's outstanding bonds on or before the  
22 maturity date of the principal and interest.

23 (c) To the extent that money in a depository bank is not  
24 insured by the Federal Deposit Insurance Corporation, the money  
25 must be secured in the manner provided by law for the security of  
26 county funds.

27 (d) Membership on the district's board of an officer or

1 director of a bank does not disqualify the bank from being selected  
2 as a depository. (V.A.C.S. Art. 8280-296, Sec. 12.)

3 Sec. 9302.153. FORM OF RECORDS AND ACCOUNTS. District  
4 records and accounts must conform to approved methods of  
5 bookkeeping. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

6 Sec. 9302.154. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION.  
7 The district is not required to pay a tax or assessment on a project  
8 or any part of a project. (V.A.C.S. Art. 8280-296, Sec. 13 (part).)

9 [Sections 9302.155-9302.200 reserved for expansion]

10 SUBCHAPTER E. BONDS

11 Sec. 9302.201. AUTHORITY TO ISSUE REVENUE BONDS. (a) The  
12 district may borrow money and issue revenue bonds to:

13 (1) provide money to purchase or otherwise provide a  
14 work, plant, facility, or appliance necessary to accomplish a  
15 district purpose; and

16 (2) exercise a power under this chapter.

17 (b) The bonds must be payable from revenue the board by  
18 resolution pledges. (V.A.C.S. Art. 8280-296, Sec. 5(b) (part).)

19 Sec. 9302.202. INTERIM BONDS. Before issuing definitive  
20 bonds under this subchapter, the board may authorize the delivery  
21 of interim bonds or notes exchangeable for definitive bonds.  
22 (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

23 Sec. 9302.203. REFUNDING BONDS. (a) The district may  
24 issue refunding bonds to refund outstanding bonds issued under this  
25 subchapter and interest on those bonds.

26 (b) Refunding bonds may:

27 (1) be issued to refund bonds of more than one series;

1           (2) combine the pledges for the outstanding bonds for  
2 the security of the refunding bonds; or

3           (3) be secured by a pledge of other or additional  
4 revenue or mortgage liens.

5           (c) The provisions of this subchapter regarding the  
6 issuance of other bonds, their security, and the remedies of the  
7 holders apply to refunding bonds.

8           (d) The comptroller shall register the refunding bonds on  
9 surrender and cancellation of the bonds to be refunded.

10          (e) Instead of issuing bonds to be registered on the  
11 surrender and cancellation of the bonds to be refunded, the  
12 district, in the resolution authorizing the issuance of the  
13 refunding bonds, may provide for the sale of the refunding bonds and  
14 the deposit of the proceeds in a bank at which the bonds to be  
15 refunded are payable in the manner prescribed by Section 1207.061,  
16 Government Code. In that case, the refunding bonds may be issued in  
17 an amount sufficient to pay the principal of and interest on the  
18 bonds to be refunded to their effective option date or maturity  
19 date, and the comptroller shall register the refunding bonds  
20 without the surrender and cancellation of the bonds to be refunded.  
21 (V.A.C.S. Art. 8280-296, Sec. 6.)

22          Sec. 9302.204. FORM OF BONDS. Bonds issued under this  
23 subchapter must:

24           (1) be issued in the district's name;

25           (2) be signed by the president; and

26           (3) be attested by the secretary. (V.A.C.S. Art.  
27 8280-296, Sec. 5(c) (part).)

1           Sec. 9302.205. MATURITY.       A bond issued under this  
2 subchapter must mature not later than 40 years after its date of  
3 issuance. (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

4           Sec. 9302.206. BOND SECURITY. (a) In this section, "net  
5 revenue" means the district's gross revenue after deducting the  
6 amount necessary to pay the reasonable cost of maintaining and  
7 operating the district and its properties.

8           (b) Bonds issued under this subchapter may be secured by:

9                   (1) a pledge of all or part of the district's net  
10 revenue, including the net revenue of a contract made before or  
11 after the issuance of the bonds; or

12                   (2) any other revenue and income specified by board  
13 resolution or the trust indenture.

14           (c) A bond security pledge under this section may reserve to  
15 the district, under conditions specified by the pledge, the right  
16 to issue additional bonds that will be on a parity with or  
17 subordinate to the bond then being issued. (V.A.C.S. Art.  
18 8280-296, Sec. 5(e).)

19           Sec. 9302.207. TRUST INDENTURE. (a) Bonds authorized by  
20 this subchapter may be additionally secured by a trust indenture  
21 under which the trustee may be a bank that has trust powers. The  
22 bank may be located in or outside this state.

23           (b) Regardless of any deed of trust or mortgage lien on the  
24 physical property of the district, the trust indenture may:

25                   (1) contain any provision the board prescribes for the  
26 security of the bonds and the preservation of the trust estate;

27                   (2) provide for amendment or modification of the trust



1 indenture;

2 (3) contain provisions governing issuance of bonds to  
3 replace lost or mutilated bonds;

4 (4) condition the right to spend district money or  
5 sell district property on the approval of a licensed engineer  
6 selected as provided by the trust indenture; and

7 (5) provide for the investment of district money.  
8 (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

9 Sec. 9302.208. ADDITIONAL SECURITY. (a) At the board's  
10 discretion, the district may additionally secure bonds authorized  
11 by this subchapter by a deed of trust or mortgage lien on the  
12 physical properties of the district and all franchises, easements,  
13 water rights and appropriation permits, leases, contracts, and  
14 rights appurtenant to the properties.

15 (b) The deed of trust or mortgage lien may vest in the  
16 trustee the power to:

17 (1) sell the properties for payment of the debt;

18 (2) operate the properties; and

19 (3) take any other action to further secure the bonds.

20 (c) A purchaser at a sale under the deed of trust lien:

21 (1) is the absolute owner of the property, including  
22 the facilities, and rights purchased; and

23 (2) is entitled to maintain and operate the properties  
24 and facilities. (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

25 Sec. 9302.209. WATER RATES AND OTHER COMPENSATION. (a) If  
26 the district issues bonds payable wholly from revenue, the board  
27 shall establish the rates of compensation for water sold and

1 services provided by the district and collect the compensation in  
2 an amount sufficient to:

3 (1) pay the expense of operating and maintaining  
4 district facilities;

5 (2) pay the bonds as they mature and interest on the  
6 bonds as it accrues; and

7 (3) maintain the reserve and other funds as provided  
8 by the resolution authorizing the bonds.

9 (b) If the district issues bonds payable partly from  
10 revenue, the board shall establish the rates of compensation for  
11 water sold and services provided by the district and collect the  
12 compensation in an amount sufficient to ensure compliance with the  
13 resolution authorizing the bonds. (V.A.C.S. Art. 8280-296, Sec.  
14 5(g).)

15 Sec. 9302.210. USE OF BOND PROCEEDS. (a) The district may  
16 set aside and use the proceeds from bond sales for the payment of  
17 interest expected to accrue during construction and a reserve  
18 interest and sinking fund. The resolution authorizing the bonds  
19 may provide for setting aside proceeds under this subsection.

20 (b) The district may use proceeds from the sale of bonds to  
21 pay an expense necessarily incurred in accomplishing the purpose  
22 for which the bonds are issued, including the expense of issuing or  
23 selling bonds.

24 (c) The district may use proceeds from the sale of revenue  
25 bonds for the payment of all expenses necessarily incurred in  
26 accomplishing a district purpose.

27 (d) The proceeds from the sale of bonds may be:

1           (1) placed on time deposit with the district's  
2 depository bank; or

3           (2) temporarily invested in direct obligations of the  
4 United States maturing not later than the first anniversary of the  
5 date of investment. (V.A.C.S. Art. 8280-296, Sec. 5(h).)

6           Sec. 9302.211. APPOINTMENT OF RECEIVER. (a) On default or  
7 threatened default in the payment of the principal of or interest on  
8 bonds issued under this subchapter that are payable wholly or  
9 partly from revenue, a court may, on petition of the holders of  
10 outstanding bonds, appoint a receiver for the district.

11           (b) The receiver may collect and receive all district  
12 income, employ and discharge district agents and employees, take  
13 charge of money on hand, and manage the district's proprietary  
14 affairs without the consent of or hindrance by the directors.

15           (c) The court appointing the receiver may:

16           (1) authorize the receiver to sell or contract for the  
17 sale of water or other services provided by the district or renew  
18 those contracts with the approval of the court; and

19           (2) vest the receiver with any other power or duty that  
20 the court finds necessary to protect the bondholders.

21           (d) The resolution authorizing the issuance of the bonds or  
22 the trust indenture securing the bonds may limit or otherwise  
23 qualify the rights of less than all of the holders of the  
24 outstanding bonds payable from the same source to institute or  
25 prosecute litigation affecting the district's property or income.  
26 (V.A.C.S. Art. 8280-296, Sec. 5(i).)

27           Sec. 9302.212. COMMISSION SUPERVISION OF PLANS AND

1 SPECIFICATIONS. (a) Before the district may issue construction or  
2 improvement bonds, the district must submit the plans and  
3 specifications for the construction or improvement to the Texas  
4 Commission on Environmental Quality for approval in the manner  
5 required by Section 49.182, Water Code.

6 (b) The Texas Commission on Environmental Quality may  
7 inspect the district's projects and improvements during the course  
8 of construction as provided by Section 49.182, Water Code.  
9 (V.A.C.S. Art. 8280-296, Sec. 5(j) (part).)

10 Sec. 9302.213. REVIEW AND APPROVAL OF CONTRACTS RELATING TO  
11 BONDS. (a) If bonds issued under this subchapter state that the  
12 bonds are secured by a pledge of the proceeds of a contract made  
13 between the district and a municipality or other governmental  
14 agency, authority, or district, a copy of that contract and the  
15 proceedings of the entities authorizing the contract must be  
16 submitted to the attorney general with the bonds and the records of  
17 proceedings relating to the bonds.

18 (b) If the attorney general finds that the bonds have been  
19 authorized and the contract has been made in accordance with law,  
20 the attorney general shall approve the bonds and the contract.  
21 (V.A.C.S. Art. 8280-296, Sec. 9 (part).)

22 Sec. 9302.214. BONDS EXEMPT FROM TAXATION. A bond issued  
23 under this subchapter, the transfer of the bond, and any income from  
24 the bond, including any profit made from the sale of the bond, are  
25 exempt from taxation by this state or a political subdivision of  
26 this state. (V.A.C.S. Art. 8280-296, Sec. 13 (part).)

## 1 ARTICLE 2. CONFORMING AMENDMENTS

2 SECTION 2.01. Section 2, Chapter 372, Acts of the 56th  
3 Legislature, Regular Session, 1954 (Article 8280-234, Vernon's  
4 Texas Civil Statutes), is amended to read as follows:

5 Sec. 2. [~~It is expressly determined and found that all of~~  
6 ~~the territory included within the area of the District will be~~  
7 ~~benefited by the works and projects which are to be accomplished by~~  
8 ~~the Authority pursuant to the powers conferred by the provisions of~~  
9 ~~Article XVI, Section 59, of the Constitution of Texas.] The area of  
10 the Authority shall be all of that territory enclosed within the  
11 following metes and bounds description, to-wit:~~

12 . BEGINNING at a point in the Montague and Cooke County Line, in  
13 the Southwest line of the B. B. B. & C. R. R. Co. Survey No. 23,  
14 Abst.No. 89, said point being in the Northeast boundary line of Geo.  
15 A. Larue Survey Abst.No. 1167, being 1340 vrs. more or less, N. 55  
16 W. from the South corner of said Bur. 23 B. B. B. & C. R. R. C.  
17 Survey. Abst.No. 89, and 522 vrs. more or less, N. 55 W. from the  
18 East corner of said George A. Larue Survey Abst.No. 1167:

19 THENCE North 55 West along the Southwest line of B. B. B. & C.  
20 R. R. Co. Sur. No. 23, and the Northeast line of the Geo. A. Larue  
21 Sur., at 211 vrs, more or less, pass the North cor. or the Geo. A.  
22 Larue Sur., also being the most Northerly East Cor. of the H. D.  
23 Payne Sur. Abst. No. 1376, continuing same course, at 560 vrs. pass  
24 the West corner of B. B. B. & C. R. R. Co. Sur. No. 23, Abst. No. 89,  
25 also the South corner of Jasper Field Sur. Abst. No. 1083.  
26 Continuing North 55 West along the S. W. B. L. of said Jasper Field  
27 Sur. pass his West Corner, being the South corner of B. B. B. & C. R.

1 R. Co. Sur No. 25, Abst No. 91, and continuing same course along the  
2 S. W. B. L. of said B. B. B. & C. R. R. Co. Sur. 25, Abst. No. 91, to  
3 its West Corner, being the South corner of Jasper Field Sur. Abst.  
4 1084, being a point in the N. E. B. L. of the Elizabeth Rose Survey  
5 Abst. No. 1257, same being 4360 vrs., more or less in all from the  
6 point of beginning.

7         THENCE North 35 deg. East 950 vrs. along the N. W. B. L. of the  
8 B. B. B. & C. R. R. Co. Sur. 25 Abst 91, to a point for cor. being the  
9 North Cor. or the S.W. 1/2 of said B. B. B. & C. R. R. Co. Sur. No.  
10 25, on the S. E. B. L. of the Jasper Field Sur. Abst. No. 1084;

11         THENCE North about 42 deg. West, crossing the entire Jasper  
12 Field Sur. Abst. 1084 to the South corner of the A. W. Howard Sur.  
13 Abst. No. 324.

14         THENCE North 37 deg. West 264 vrs. along the S. W. B. L. of the  
15 A. W. Howard Sur., being the most Westerly North corner of the  
16 Jasper Field Survey Abst. 1084, said point also being the East  
17 corner of the I. G. Sommers Sur. Abst. No. 694:

18         THENCE In a Northwesterly direction, crossing the I. G.  
19 Sommers Sur. Abst. 694, to its inner ell corner, also being the  
20 South Corner of the V. B. Mathews Sur. Ab. 557:

21         THENCE N. 37 deg. W. 580 vrs. along S. W. B. L. of said V. B.  
22 Matthews Survey to the most Northerly North corner of said I. G.  
23 Sommers sur. also being the most Southerly East corner of the Daniel  
24 Rasor Sur. Abst. No. 660:

25         THENCE S. 53 deg. W. 637 vrs. along S. E. B. L. of said Daniel  
26 Rasor Sor. Abst. 660, to his South corner, same being a point at an  
27 inner ell corner of the Cradrilla Irrigation Co. Sur. Abst. 1145:

1           THENCE N. 37 deg. W. 1400 vrs. corner, being the West corner  
2 of said Daniel Rasor Sur., said point also being in the S. E. B. L.  
3 of the Dye Mound and Saint Jo road:

4           THENCE N. 53 deg. E. 18.9 vrs. corner, being a point on the N.  
5 W. B. L. of Daniel Rasor Sur., also being the South corner of the A.  
6 Stewart Sur. Abst. No. 713;

7           THENCE N. 37 deg. W. at 828 vrs. pass the West corner of the A.  
8 Stewart Sur. Abst 713, at 855 varas corner, the inner ell corner of  
9 the C. E. Holmes Sur. Ab. No. 1627 said point also being the most  
10 northerly corner of the Cuadrilla Irrigation co. Sur. Abst 1145;

11           THENCE S. 53 deg. West 86.5 vrs. corner, being the most  
12 Westerly South corner of said C. E. Holmes Sur, same being the East  
13 Corner of the John Burgess Sur. Abst No. 29;

14           THENCE N. 37 deg. W. at 463 vrs. the West cor. of said C. E.  
15 Holmes Sur. same being the most Southerly South cor. of the M. B.  
16 Lewis Sur. Abst. No. 424 continuing same course 907 vrs. in all to  
17 an inner ell corner of the M. B. Lewis Sur. also being the most  
18 Easterly North cor. of the John Burgess Sur. Ab. No. 29;

19           THENCE S. 53 W. at 208 vrs. cross road, in all 402 vrs, to  
20 inner ell corner of the John Burgess Sur. Abst No. 29;

21           THENCE N. 37 W. at 805 vrs. pass the North corner of the said  
22 John Burgess sur, also being the East cor of the L. S. Farrar Sur.  
23 Abst. No. 282, continuing N. 37 deg W. along the N. E. B. L. of said  
24 Farrar Sur. 1465 vrs. in all to point in South line of the Montague  
25 and Saint Jo Road, same being the West cor of the C. D. Meador et al,  
26 266.86 acre tract out of said M. B. Lewis Survey Abst. No. 424 also  
27 being the North cor. of Geo. E. and Roy R. Peery 145.75 acre tract

1 out of said L. S. Farrar Sur. Abst No. 282;

2 THENCE S. 89 W. along S. line of said road 520 vrs. to cor. in  
3 N. W. B. L. of said Farrar survey;

4 THENCE S. 53 deg. W. 70 vrs. more or less, cor in South line of  
5 said road said point being the most Northerly E. Cor of the William  
6 C. Masters Sur Abst No. 1244;

7 THENCE in a Westerly direction, to a cor on the S. E. B. L. of  
8 the John A. Ivie Sur. Abst. No. 911, also on the N. W. B. L. of the  
9 said William C. Masters Sur. Said point being S. 53 deg. W. 184.20  
10 vrs. from the East Cor. of said John A. Iris Sur. at the South cor.  
11 of the Walter Hoover's Northeast 30.09 acre tract out of said Ivie  
12 Sur. Also being the East Cor. of L. A. Husband 57.7 acre tract out  
13 of the said John A Ivie Survey;

14 THENCE N. about 66 Deg. W. Crossing the S.W. portion of said  
15 L. A. Husband 57.7 acres out of the John A. Ivie Sur., 1080 vrs.,  
16 more or less, to the S. Cor. of the said 57.7 acre tract, in the N.  
17 W. B. L. of the said Ivie Sur;

18 THENCE N. 59-1/2 Deg. W. 378 vrs. more or less, along the N.E.  
19 Line of road to cor. in road, also being a point in the S.W. Line of  
20 the L. A. Husband 83.1 acre tract out of the M. B. Lewis Sur. Abst.  
21 No. 424;

22 THENCE S. across Geo. E. and Roy R. Peery's 130.31 acre tract  
23 out of the M. B. Lewis Sur. Abst. No. 424, to a point on the N. E. B.  
24 L. of the John W. Kelley Sur. Abst No. 408, said point being S. 43  
25 Deg. E. from the North Cor. of the said John W. Kelley Sur;

26 THENCE S. about 50 Deg. W. 520 vrs., more or less, to the East  
27 Cor of the J. W. Cole 43.32 acre tract out of said John W. Kelley



1 Sur. Abst. No. 408, also being 290 vrs. S. 46 Deg. W. and 671.3 vrs.  
2 S. 23-1/4 Deg. E. from the N. Cor. of the said Kelley Sur. in center  
3 of Montague & Saint Jo Road;

4 THENCE S. 67.75 W. with road 169-1/2 vrs;

5 THENCE S. 77.75 W. with road 232-1/2 vrs;

6 THENCE S. 78.75 W. with said road 164.20 vrs. to a point in  
7 said road on W. bank of a ravine near the W end of a small bridge,  
8 being the S.W. Cor. of said J. W. Cole 43.32 acre tract in said  
9 Kelley Survey;

10 THENCE S. 58 Deg. W. 4314 vrs;

11 THENCE S. 58 Deg. W. 433-4/5 vrs., more or less, along the S.  
12 E. B. L. of a certain 55.29 acre tract;

13 THENCE S. 30.75 Deg. W. 118 vrs;

14 THENCE S. 61 W. 320 vrs. to Cor. on S. W. B. L. of said Kelley  
15 sur. being a point 193 vrs. S. 43 Deg. E. from the W. Cor. of said  
16 Kelley sur. also being a point on the N. E. B. L. of the M. Hunt Sur.  
17 Abst. No. 349;

18 THENCE S. 47 Deg. W. 1344 vrs. cross the M. Hunt Sur. Abst No.  
19 349, to a point on the N. E. B. L. of the J. Collier Sur. Abst. 1212,  
20 said point being 528 vrs. S. 43 E. From the N. Cor. of the said J.  
21 Collier Sur. Abst. 1212;

22 THENCE IN A S.W. direction along the S. B. L. of a certain 10  
23 acre tract, owned by the Estate of Lillie Reimers out of the N. Cor.  
24 of said J. Collier Sur, to a point of the N. E. B. L. of the M. Hunt  
25 Sur. Abst. No. 350; being 640 vrs., more or less, S. 25 E. from the  
26 N. Cor. of the M. Hunt Sur. Abst. No. 350;

27 THENCE S. 25 deg E. about 72 vrs. to Cor. in N.E. line of said

1 Hunt Sur. also being the North cor. of the E. 20 acres of the M. Hunt  
2 Sur. Abst. No. 350;

3         THENCE S. about 63 Deg. W. crossing the M. Hunt Sur. Abst 350,  
4 1345 vrs. more or less to the S. W. B. L. of same, also a point in N.  
5 E. B. L. of Blk. 18 of the upper League of Calhoun County School Land  
6 Sur. Abst. No 122, being 600 vrs. S. 25 E. from the N. Cor. of said  
7 Blk. 18;

8         THENCE S. about 67 Deg. W. across said Blk. 18 of Calhoun  
9 County School Land Sur. Abst No. 122, through that certain North W.  
10 112 acre tract in said Blk. 18, owned or once owned by J. N. Collier,  
11 approximately 1190 vrs. to the N. Cor. of Blk 19, and E. Cor. of Blk,  
12 24 of said Calhoun County School Land Sur. Abst 122;

13         THENCE W. about 430 vrs to a point for corner, which is about  
14 374 vrs. S. 47 W. and 415 vrs. N. 43 W. from the E. Cor. of Blk. 24  
15 Calhoun County School Land Sur. Abst. 122;

16         THENCE S. 43 W. at 577 Vrs. cross S. W. B. L. of Blk 24, and N.  
17 E. B. L. of Blk 25 Calhoun County Sch. Ld. Sur. Abst. 122,  
18 continuing S. 43 Deg. W. along the S. E. B. L. of the J. M. Chambers  
19 101 acres out of the N. W. Part of Blk. 25 Calhoun, in all 1525 vrs.  
20 to Cor. on S. W. B. L. of Blk. 25. Said point being the W. Cor. of C.  
21 McCall Est. S.E. 70 acre tract out of said Blk. 25 being a point in  
22 N. E. B. L. of Blk, 26, said Calhoun County School Land Survey;

23         THENCE S. 47 E. at 415 vrs. Passing the East Cor. of Blk, 26,  
24 also the North. Cor. of Blk. 21, the W. Cor. Blk. 20 and S. Cor. Blk.  
25 25, continuing S. 47 E. along N. E. B. L. of Blk. 21 to its East Cor.  
26 in all 1365 vrs;

27         THENCE S. 47 Deg. W. 600 Vrs. Cor. in N. W. B. L. of Blk 17

1 Calhoun;

2           THENCE S. about 76 Deg. E. 1200 vrs. more or less, to the East  
3 Cor. of said Blk. 17, Calhoun Co. also being in N. Cor of Blk. 13,  
4 the W. Cor. Blk 12 and the S. Cor. of Blk 16, and Calhoun County.  
5 School Land Sur Abst. 122;

6           THENCE S. 47 Deg. E. Along N. E. B. L. of Blk. 13 at 950 vrs.  
7 pass its E Cor. also the N. Cor. Blk 9, Calhoun County School Land  
8 Sur. Continuing S. 47 E. in All 1896 vrs., more or less to the E.  
9 Cor. of Said Blk. 9, Calhoun County School Land Sur. said point also  
10 being the N. Cor. of Blk. 5, the S. Cor. Blk 8 and the W. Cor of Blk.  
11 4;

12           THENCE S. 47 W. along N. W. B. L. Blk 5, 727 vrs. to point in  
13 N. W. B. L. of said Blk, 5, also being the W. Cor. of S. T. Tompkins  
14 122 acre tract in the N.E. Part of Blk 5. Calhoun County Abst. 122;

15           THENCE S. 43 Deg. E. 950 vrs to Cor. in S. E. B. L. of Blk. 5  
16 Calhoun, same being a point on N. W. B. L. of League 11 Calhoun  
17 County School Land Sur. Abst N. 121;

18           THENCE S. 47 W. 387 vrs. to a point for Cor, being the S. Cor.  
19 of Blk 5, Calhoun County Sch. Ld. Sur. Abst 122; and the West Cor. of  
20 Blk 24 Calhoun County Sch. Land, Sur. Abst No 121;

21           THENCE S. 43 E. pass the S. Cor. of Blk, 24, Calhoun County  
22 Sch. Ld. Sur. Abst. 121, which is also the W. Cor. of Blk 25, of  
23 Calhoun County Sch. Ld. Sur. Abst 121, continuing in all 1425 vrs.,  
24 more or less, to the S. Cor. of Blk, 25, also the W. Cor. of Blk 26,  
25 Calhoun County School Land Sur. Abst. No. 121;

26           THENCE S. about 47 W. 537.5 vrs. to point for Cor, being the  
27 N. Cor. of the Fred Love 220 acre tract out of Sec. 1, E. T. R. R. Co.

1 Sur. Abst. 256;

2 THENCE S. 43 E. 1050 vrs., more or less along the N. E. L. of  
3 said Love 220 acre tract to Cor. on N. W. B. L. of Elias Spray Sur.  
4 Ab. 672, said point also being 637.5 vrs. S. 47 W. from the N. Cor.  
5 of said Spray Survey;

6 THENCE S. 47 W. 213 vrs. along the N. W. B. L. of the Spray  
7 Sur. a Cor. same being the W Cor. of the North 100 acres of the Elias  
8 Spray Sur. Abst No. 672;

9 THENCE S. 43 E. 1900 vrs. Cross the said Spray Sur. to Cor. in  
10 the S. E. B. L. also point in most Easterly N. W. B. L. of the Z.  
11 Westmoreland Sur. Abst. No. 859;

12 THENCE N. 47 E. 326 vrs. Cor. in the S.E. Line of the Spray  
13 Sur. also the most Easterly N. Cor. of the Z. Westmoreland Sur.  
14 Abst. 859, same being the most Northerly W. Cor. or the J. H. Pond  
15 Sur. Abst. No. 1505;

16 THENCE S. 45 E. 423 Vrs. the E. Cor. of Westmoreland Sur;

17 THENCE S. 45 W. 150 vrs. a Cor. being the N. Cor. of the L. L.  
18 Mobley Sur Abst 555;

19 THENCE S. 45 E. 950 vrs. to E. Cor of said L. L. Mobley Sur.  
20 also being in inner ell cor. of said J. H. Pound Survey;

21 THENCE S. 45 Deg. W. 475 vrs. Cor. in S. E. B. L. of the L. L.  
22 Mobley Sur. being the most Southerly W. Cor. of said J. H. Pound  
23 Sur, also the N. Cor. of the S. D. Hughes Sur. Abst No. 1293;

24 THENCE S. 45 Deg. E. passing S. Cor. of J. H. Pound Sur. Abst  
25 No. 1505, and W. Cor. of Levi Noblett Sur. Abst. No. 115, in all 964  
26 vrs. to point on the N. W. B. L. of George E. Bibens Sur. Abst No.  
27 310;

1           THENCE S. 30 deg. W. 497 vrs. to the W. Cor. of the said George  
2 E. Givens Sur. also being an inner ell cor. of the S. D. Hughes Sur.  
3 Abst 1293;

4           THENCE S. 60 E. along S. W. B. L. of said Givens Sur. 180 vrs.  
5 more or less to Cor. in West line of County Road;

6           THENCE S. about 26 E. along W. Line of said road crossing a  
7 portion of the S. D. Hughes Sur. Abst No. 1293, 272 vrs, more or  
8 less, to a point in the N. W. B. L. of the J. W. Williams Sur. Abst  
9 No. 1398;

10          THENCE S. 40 deg. E. along said road 685 vrs. corner;

11          THENCE N. 72 E. along said road 55 vrs. a corner, being the  
12 most Easterly N. Cor. of a certain 23.4 acre tract in the S. Cor. of  
13 said J. W. Williams Sur. owned by Milton Littell;

14          THENCE S. 207 vrs. to the N. W. Cor. of the Nath McElroy sur.  
15 Abst. No. 541;

16          THENCE E. along the N. Line of said McElroy Sur. 950 vrs. to  
17 N. E. Cor. of said Sur.

18          THENCE S. 950 vrs. to S. E. Cor. of said McElroy Sur., said  
19 point also being in the W. B. L. of the Seth Cary Sur. Ab. 1142;

20          THENCE S. about 60 E. 979 vrs. more or less, cross the Claude  
21 A. Willis 463.8 acre tract in said Seth Cary Sur., to the N. W. Line  
22 of the S. A. Lemons Sur. Abst. No. 1169, being a point 471 vrs S. 45  
23 W. from the N. Cor. of the said Lemons Sur.;

24          THENCE N. 45 E. 471 vrs. to the N. Cor. of the S. A. Lemons  
25 Sur. Abst 1169;

26          THENCE S. 45 E. along N. E. B. L. of said Lemons Sur. 950 vrs.  
27 to its E. Cor;

1           THENCE S. 45 W. 873 Vrs. along said Lemons S.E.B.L. to its  
2 most Southerly S. Cor. also cor. on the N.E.B.L. of the Dora Booher  
3 Sur. Abst. No. 102;

4           THENCE S. 45 E. 450 vrs. to the East Cor. of said Soohar Sur.  
5 also on inner Cor. of the James Underhill Sur. Abst. No. 1007;

6           THENCE N. 107 vrs. to the most Northerly N.W. Cor. of said  
7 James Underhill Sur;

8           THENCE E. 447 vrs. to the N.E. Cor of said Underhill Sur;

9           THENCE S. 816 Vrs. to the most Southerly E. Cor. of said  
10 Underhill Sur. also a point in N.W.L. of the Alex G. Perryman Sur.  
11 Abst. No. 597, also being the most Southerly Cor. of the Seth Cary  
12 Sur. Abst No. 1142;

13           THENCE N. 45 E. about 430 Vrs. more or less to the N. Cor. of  
14 Alex G. Perryman Sur. Abst. No. 597 also being the W. Cor. of the J.  
15 L. Luckenback Sur. Ab. No. 1408;

16           THENCE S. 45 E. 751 Vrs. along N.E.B.L. of said Perryman Sur.  
17 to its E. Cor;

18           THENCE S. 45 W. 350 Vrs. more or less, to a point in the  
19 S.E.B.L. or said Perryman Sur. also being the most Northerly N. Cor.  
20 of the E. Willis (alias Ward) Sur. Abst No. 846;

21           THENCE S. 45 E. pass the S. Cor of the Geo. W. Fanning Sur.  
22 Abst. No. 1027, at 752 Vrs pass most Northerly E. Cor. of said E.  
23 Willis (alias Ward) Sur. which is also the N. Cor. of the J. B.  
24 McClyman Sur. Abst No. 494, continuing same course along N.E.B.L.  
25 of said McClyman Sur. and the S.W.B.L. of the J. F. Dlmore Sur. Abst  
26 No. 1532, to a point for cor., being the South corner of the said  
27 Elmore Sur. and the E. Cor. of said McClyman Sur;

1           THENCE S. 45° W. 1012 Vrs. along S.E.B.L. of said McClyman  
2 Sur. to its S. Cor., said point being an inner ell cor. of the L. N.  
3 Gambell Sur. Ab. No. 1029;

4           THENCE N. 45° W. 144 Vrs. Cor. on S.W.L. of the McClyman Sur.  
5 also being the most Southerly E. Cor of the E. Willis Sur. also  
6 being the most Southerly N. Cor. of said L. N. Ganbell Sur;

7           THENCE S. 45° W. 525 Vrs. along the N.W.B.L. of said Gambell  
8 Sur to a point on N.E.B.L. of the J. W. Medley Sur. Abst No. 918;

9           THENCE S. 45° E. 96 Vrs. to E. Cor of the said J. W. Medley  
10 Sur;

11           THENCE S. 45° W. at 38 vrs. more or less, pass the most  
12 Northerly N. Cor. of the J. G. Barnes Sur. Abst No. 1134; at 138 vrs.  
13 more or less, the most Northerly W. Cor of said J. G. Barnes Sur.  
14 also being the North Cor. or the Francis Seeds Sur. Ab. 1043;

15           THENCE S. 45° E. with N.E.B.L. of said Francis Seeds sur, 324  
16 vrs., more or less, to Cor in W.B.L. of road;

17           THENCE S. About 65° E. Crossing road 490 vrs. more or less,  
18 across to portion of a certain 5 acre tract once owned by Grace M.  
19 Wood out of said J. G. Barnes Sur. to an inner Cor. of the J. G.  
20 Barnes Sur. Abst. No. 1134;

21           THENCE S. 180 Vrs. Cor. on N.E.B.L. of said Francis Seeds Sur.  
22 Abst 1043;

23           THENCE S. 45° E. 70 Vrs., more or less, to the E. Cor. of said  
24 Francis Seeds Sur.;

25           THENCE S. 45° W. 485 Vrs. to a point on N.E.B.L. of the James  
26 Pettitt Sur. Abst. No. 928, said point being the most Northerly S.  
27 Cor. of said Seeds Sur.;

1           THENCE S. 45° E. 643 Vrs. along the N.E.B.L. of said James  
2 Pettitt Sur. to its E. Cor.;

3           THENCE S. 45° W. 136 Vrs. along S.E.B.L. of said Pettitt Sur.  
4 to the N. Cor. of the James Wichter Sur. Abst. No. 1270;

5           THENCE S. 433 Vrs. Cor. being an inner corner of said Wichter  
6 Sur. and also the most Southerly S.W. Cor. of the J. G. Barnes Sur.  
7 Abst. No. 1134;

8           THENCE E. 125 vrs. along the S.B.L. of said Barnes Survey to  
9 Cor. being the N.W. Cor. of the W. Dalton Sur. Abst. No. 1403;

10          THENCE S. 24° E. 919 Vrs. along S.W.B.L. of said Dalton Sur.  
11 and N.E. line of said Wichter Sur. to Corner, being the S.W. Cor. of  
12 the W. Dalton Svy Abst. No. 1403;

13          THENCE S.126 vrs. the N. Cor. of the K. Houghton Sur. Abst No.  
14 337;

15          THENCE S. 45° E. 950 Vrs. along N.E.B.L. of said K. Haughton  
16 Sur. to a Cor. in the N.W.B.L. of the D. Busby Sur. Abst No. 43, at a  
17 point 211 vrs, S. 45 W. from the North Cor. of said Busby Sur. Said  
18 point also being the most Southerly S. Cor of the H. T. Mann Sur.  
19 Abst No. 1663 of 108-1/3 acres;

20          THENCE S 45° W. 739 vrs., more or less, along the N.W.L. of the  
21 D. Busby Sur. Abst. No. 43 to a Cor., being a point 950 vrs. S. 45 W.  
22 from the N. Cor. of said Busby Sur;

23          THENCE S. 45° E. 950 vrs. to a point in the N.W.B.L. of a  
24 certain 79-1/4 acre tract owned or once owned by Jane Arvil Ensey,  
25 said point being 950 vrs. S. 45 Deg. W. from the N. Cor. of said  
26 Busby Sur.;

27          THENCE N. 45° E. 475 vrs. Cor., being the N. Cor of said 79-1/4



1 acre Ensey tract out of said Busby Sur., said point also being 950  
2 vrs. S. 45 Deg. E. and 475 Vrs. S. 45 Deg. W. from the N. Cor. of the  
3 D. Busby Sur;

4 THENCE S. 45° E. 950 Vrs. Cor. in the Southeast boundary line  
5 of the D. Busby Sur. also the Northwest boundary line of the Manson  
6 Sheid Sur. Abst. No. 688;

7 THENCE N. 45 E 475 Var. Cor. being the E. Cor. of the D. Busby  
8 Sur. Abst No. 43, and the North Corner of the Manson Sheid Survey  
9 Abst. No. 688; also being a point in the Southwest boundary line of  
10 the G. W. Greg Sur. Abst No. 902;

11 THENCE S. 45 Deg. E. 1425 vrs. to corner in the Northeast  
12 boundary line of the said Sheid survey, being 475 vrs N. 45 Deg. W.  
13 from its East Cor. said point also being the West Corner of the Mark  
14 Noble survey Abst. No. 568;

15 THENCE N. 45 Deg. E. along the Northwest boundary line of said  
16 Mark Noble survey 1020-1/2 vrs corner in Northwest boundary line of  
17 said Novle survey, also in the Southeast boundary line of the J. A.  
18 Huskey Survey Abst., No. 965;

19 THENCE S. 45 Deg. E. 1934 vrs. more or less, crossing said  
20 Mark Noble Sur, to a point in the Southeast Boundary line of said  
21 Mark Noble survey, also a point on the N.W.B. line of the David  
22 Brederick Survey Abst. No. 78; said point being 904-1/2 vrs S. 45  
23 Deg. W. from the East Corner of the said Mark Noble Survey;

24 THENCE N. 45 Deg. E. 468.5 vrs., more or less, along the  
25 S.E.B. line of the Noble survey and the N.W.B. line of the David  
26 Brederick survey Abst. No. 78; being the most Northerly N.W. corner  
27 of the said Brederick Survey, also being the Most Southerly West

1 Corner of the J. J. Boyd survey Abst. No. 1338;

2       THENCE East 375 vrs. more or less, corner in the N.B.L. of  
3 said Brederick survey; said point being 880 vrs. West of the N.E.  
4 corner of David Brederick survey;

5       THENCE South crossing the David Brederick Survey Abst. No.  
6 78, 1457 vrs., more or less, to a point in the most Southerly S.B.  
7 line of the Brederick survey, also the North line of the Robert F.  
8 Millard Survey Abst., No. 469, said point being 200 vrs. West of the  
9 N.E. corner of the Millard Survey;

10       THENCE East 200 vrs. to the N.E. corner of the Robert F.  
11 Millard Survey, also being the most Southerly S.E. corner of the  
12 Brederick survey, in the W.B. line of the Benjamine Heriage Survey  
13 Abst., No. 334 being a point 388 vrs. South of the N.W. corner of the  
14 said Benjamine Heriage Survey Abst. No. 334;

15       THENCE South along W.B. Line of the Heriage Survey 977 vrs.  
16 corner being a point 1365 vrs. South of the N.W corner of said  
17 Heriage survey, also being the S.E. corner of a 160 acre tract out  
18 of the Robert F. Millard Survey Abst. No. 469, owned or once owned  
19 by Mrs. Fannie M. Manrie et al;

20       THENCE East 600 vrs., more or less, across said Benjamine  
21 Heriage Survey to the Montague and Cooke Line, being a point 1423  
22 vrs North and 600 vrs. East of the Southwest corner of the said  
23 Heriage Survey;

24       THENCE South with the Montague and Cooke County line to the  
25 S.W. corner of Cooke County, Texas;

26       THENCE East along the South Boundary line of Cooke County,  
27 Texas, to a point, beginning at a point where the West boundary line

1 of the John H. Splawn or Zola Munster 70 acre tract out of the James  
2 Bolin Survey Abstract No. 34, intersects with North Boundary line  
3 of Wise County, Texas;

4 Same being about 8200 feet East from the Southwest corner of  
5 Cooke County, Texas;

6 THENCE in Wise County, South along the West boundary line of  
7 said 70 acre tract to the Southwest corner of same; also being the  
8 NWC of a 60 acre tract in said survey owned or formerly owned by  
9 Splawn Muenster;

10 THENCE in a Southeasterly direction to the Southeast corner  
11 of said James Bolin survey, same being the Southeast corner of the  
12 Splawn Muenster's 60 acre tract above mentioned;

13 THENCE in an Easterly direction across the W. E. Best and Alma  
14 Brown tracts of land out of the Peter Maroney survey, Abst. No. 561  
15 and J. B. Loyd survey, Abst. No. 331 to the North corner of the  
16 Hannible Bell survey Abst. No. 47; same being the North corner of  
17 the John Newton Maxwell 85.45 acre tract in said Bell survey;

18 THENCE along the N E line of said Hannible Bell survey to the  
19 S E corner of said John Newton Maxwell 85.4 acre tract;

20 THENCE in a Southerly direction across the land of Alma Brown  
21 in said Hannible Bell survey to the N.W. line of the Berry Merchant  
22 survey, Abst. No. 588; said point being about 275 feet from the  
23 North corner of said Merchant survey, and in the North line of the  
24 Alma Brown tract of land;

25 THENCE in a Southerly direction across the lands of Alma  
26 Brown to a point which is about midway between the Northwest line  
27 and the Southeast lines of the said Berry Merchant survey, and about

1 1000 feet from the Northeast line of the W. E. Fortenberry et al  
2 196.29 acre tract out of said Berry Merchant survey;

3 THENCE Southeasterly to the South boundary line of the W. E.  
4 Fortenberry et al 196.29 acre tract being on the Southeast boundary  
5 line of said Berry Merchant survey about 2000 feet from the SEC of  
6 said Berry Merchant survey;

7 THENCE in a Southeasterly direction across the W. E.  
8 Fortenberry 121.5 acre tract in the Benjamin McGaha survey Abst.  
9 No. 544, to the NWC of the Guinn Fortenberry 107.5 acre tract out of  
10 said Benjamin McGaha survey;

11 THENCE following the West line of said Guin Fortenberry 107.5  
12 acre tract to the Southwest corner of same in the North line of the  
13 R. Z. Dempsy 65 acre tract in said survey;

14 THENCE across the North portion of said R. Z. Dempsy 65 acre  
15 tract to a point in the N.E. line of said tract which is about 700  
16 feet from the North corner of same; said point being in the West  
17 line of the S. B. Hayes 150 acre tract in said survey

18 THENCE in a Southeasterly direction and easterly direction  
19 across the S. B. Hayes 150 acre tract in said survey to a point in  
20 the Southeast line of same;

21 THENCE Northeasterly along the Southeast line of said tract  
22 to the East or Southeast corner of same in the most easterly  
23 Northeast line of said Benjamin McGaha survey, same being the West  
24 corner of the Samuel Wood survey, Abst. No. 900;

25 THENCE in a Southeasterly direction along the Southwest line  
26 of the Samuel Wood survey, Abst. No. 900 to the South corner of  
27 same; said corner also being the NWC of the Levin McHall survey,

1 Abst. No. 549;

2           THENCE in a Southeasterly direction along the SW boundary  
3 line of said Levin McHall survey to the South or Southwest corner of  
4 the Mrs. Laura C. Holt 97.25 acre tract in said Levin McHall survey;  
5 said point also being the N.W. corner of the J. G. McCarrol 210 acre  
6 tract 85a in said survey;

7           THENCE in a Northeasterly direction along the S E line of said  
8 Mrs. Laura C. Holt 97.25 acre tract to the East or Southeast corner  
9 of same near the Wise-Denton County line;

10           THENCE in a Northeasterly direction about 200 feet across the  
11 land of Kathleen Brown Foreman in the Wm. Sweeney survey, Abst. No.  
12 750 to a point in the East boundary line of Wise County, Texas, and  
13 the West boundary line of Denton County, Texas;

14           THENCE North with the East boundary line of Wise County, and  
15 the West boundary line of Denton County, Texas to the Northeast  
16 corner of said Wise County, Texas;

17           THENCE West on the North line of Wise County, Texas, and the  
18 South line of Cooke County, Texas;

19           THENCE South with West boundary line of Denton County, Texas,  
20 to a point 2000 feet North of the S. W. corner of the J. Thomas  
21 survey, Abst. No. 1239, Denton County, Texas;

22           THENCE: From the West boundary line of Denton County, S. 85  
23 Deg. E. to a point in the East line of said Thomas Survey Abstract  
24 No. 1239 and the West line of the Domingo Diaz Survey, Abstract No.  
25 376 that is 1000 feet North of the Common South corner of said  
26 Surveys;

27           THENCE S. 70 Deg. E. to a point in the South line of said Diaz

1 Survey and the North line of the Samuel Turner Survey Abstract No.  
2 1247, 600 feet West of their common East Corner;

3 THENCE S. 14 Deg. E. through said Turner Survey to an ell  
4 corner of said Turner Survey, same being the S.W. Cor. of the J.  
5 McBride Survey, Abstract No. 861;

6 THENCE S. 55 Deg. E. through said Turner Survey, crossing the  
7 East line of said Turner Survey and the West line of the J. J.  
8 Farnsworth Survey, Abstract No. 1615, at a point 750 feet North of  
9 their common South corner, and continuing said course through said  
10 Farnsworth Survey to an inside ell corner of said Farnsworth  
11 Survey, same being an outside ell corner of the F. Y. Guthrie  
12 Survey, Abstract No. 442;

13 THENCE through said Guthrie Survey, S. 60 Deg. E. to a point  
14 in the East line of the C. F. Dickeson 317 acre tract and the West  
15 line of the C. C. Cunningham 200 acre tract in said Guthrie Survey  
16 that is 1645 feet North of the common South corner of said two  
17 tracts, same being a point midway in their common North and South  
18 property line;

19 THENCE South 35 Deg. E. through said Guthrie Survey to an  
20 inner ell corner of said Guthrie Survey, same being the S.W. Cor. of  
21 the A. H. Knox Survey, Abstract No. 1702;

22 THENCE continuing through said Guthrie Survey, S. 49 deg. E.  
23 to a point in its East line and the West line of the J. M. Ruiz  
24 Survey, that is 4528 feet North of the common South corner of said  
25 Guthrie and Ruiz Surveys;

26 THENCE S. 75 deg. E. through said Ruiz Survey to a point in  
27 the East line of the E. M. Davidson 485.56 acre tract and the West

1 line of the Mrs. N. E. Buckley 385.86 acre tract in said Ruiz  
2 Survey, that is 3500 feet North of their common South corner;

3       THENCE N. 55 deg. E. through said Buckley tract to a point in  
4 its East line and the West line of the R. G. Cole tract in said Ruiz  
5 Survey that is 1200 feet South of the Common North corner of said  
6 Buckley and Cole tracts;

7       THENCE S. 63 deg. E. crossing the East line of said Ruiz  
8 Survey and the West line of the Thomas Polk Survey, Abstract No.  
9 1000 at a point that is 1200 feet North of the S.W. Cor. of said Polk  
10 Survey, and continuing said course passing the East line of said  
11 Polk Survey and the West line of the John Ruddell Survey, Abstract  
12 No. 1061, at a point 700 feet North of their common South corner,  
13 and continuing said course to a point in the South line of said  
14 Ruddell Survey and the most Easterly North line of said Ruiz Survey  
15 that is 1500 feet East of the S.W. Cor. of said Ruddell Survey;

16       THENCE S. 20 deg. E. through said Ruiz Survey, crossing the  
17 South line of said Ruiz Survey and the North line of the James C.  
18 Jack Survey, Abstract No. 659, at a point that is 300 feet West of  
19 the most Easterly S.E. Cor. of the Ruiz Survey, same being a point  
20 that is 422 feet West of the N.E. Cor. of the C. M. Pickett 120 acre  
21 tract in said J. C. Jack Survey;

22       THENCE S. 20 Deg. E. to a point in the East line of said C. M.  
23 Pickett 120 acre tract and the West line of the R. M. Evers 266.5  
24 acre tract that is 2500 feet North of their common South Corner;

25       THENCE S. 40 Deg. E. through said Jack Survey to a point in  
26 the East line of said Jack Survey and the West line of the J. C. P.  
27 Melton Survey, Abstract No. 802, that is 2700 feet North of the S.W.

1 Corner of said Melton Survey;

2 THENCE S. 32 Deg. E. through said Melton Survey, to a point in  
3 the South line of said Melton Survey and the North line of the  
4 Thomas Polk Survey, Abstract No. 997, that is 1,650 feet East of the  
5 S.W. Cor. of said Melton Survey;

6 THENCE S. 50 Deg. E. to the S.E. Cor. of the W. E. Cox 151 acre  
7 tract, a point in the South line of said Polk Survey;

8 THENCE East along the South line of said Polk Survey to the  
9 East line of the G. C. & SF. R. R. Co. right-of-way;

10 THENCE N. 47 Deg. E. along the East line of said right-of-way  
11 to a point in said Melton Survey that is 2500 feet West and 100 feet  
12 North of the S.E. Cor. of said Melton Survey:

13 THENCE S. 72 Deg. E. to the S.E. Cor. of said Melton Survey;  
14 same being an inner ell corner of the John Ayers Survey, Abstract  
15 No. 2, and being the N.E. Cor. of the H. C. Barthold 182.5 acre tract  
16 in said Ayers Survey;

17 THENCE South along the East line of said Barthold tract to its  
18 S.E. Cor. in the South line of said Ayers Survey and the North line  
19 of the John W. Gibbons Survey, Abstract No. 446, and continuing  
20 South 200 feet to the Northeasterly right-of-way line of the G. C. &  
21 S. F. R. R. Co. in said Gibbons Survey;

22 THENCE along the N.E. right-of-way line of said railroad, S.  
23 27 Deg. 37 Min. E. to the East line of said Gibbons Survey, 3000.00  
24 feet North of its S.E. Cor;

25 THENCE South to the N.W. Cor. of the B.B.B. & C.R.R. Co.  
26 Survey, Abst No 141;

27 THENCE S. 62 Deg. E. crossing the East line of said B. B. B. &



1 C. R. R. Co., Survey and the West line of the N. Wade Survey at a  
2 point that is 500 feet South of the N. W. Cor. of said Wade Survey;  
3 and continuing said course to a point in the East line of said Wade  
4 Survey, same being the N. W. Cor. of the N. H. Meisenheimer Survey  
5 Abst No. 810;

6 THENCE S. 52 Deg. E. through said Meisenheimer Survey to the  
7 S. W. cor. of the F. N. Riney 94.5 acre tract in said Survey;

8 THENCE East through said Survey, crossing its East line and  
9 the West line of the Thomas Toby Survey, Abstract No. 1288, and  
10 crossing the East line of said Toby survey and the West line of the  
11 B. B. B. & C. R. R. Co Survey, Abstract No 186, to a point in the  
12 center of the old U. S. Highway No. 77;

13 THENCE S. 35 Deg. E. in the Center of said highway to a point  
14 in said B. B. B. & C. R. R. Co., survey in the North City Limits  
15 Boundary line of the City of Denton, Texas;

16 THENCE FOLLOWING AND ALONG SAID City Limits line, East to the  
17 West line of the Joseph Carter Survey, Abst No. 268, South to the  
18 center of the West line of said Carter Survey, East to Stuart Lane,  
19 North crossing the North line of said Carter Survey to the N. W.  
20 Cor. of the John Carter Survey, Abstract No. 274, same being the N.  
21 W. Cor. of the Holiday Park Addition to the City of Denton; S. 85  
22 deg. E. along the North line of said Holiday Park and the North line  
23 of Norchester Additions to the N. E. Cor. of said Norchester  
24 Addition, a point in said John Carter Survey; S. 2 Deg. 45 min. W.  
25 1351 feet to the South line of said John Carter Survey; West to the  
26 N. W. Corner of the Hardin Carter Survey, Abstract No. 281; South  
27 660 feet to the North line of the R. E. A. power line 110 ft

1 easement; S. 62 Deg. 48 min. E. along the North line of said  
2 Easement to the North line of the Windsor Park Addition in said H.  
3 Carter Survey; N. 62 deg. E. along the North line of said Windsor  
4 Park to the West line on the Wesley Pogue Survey, Abst. No. 1012, a  
5 point 600 feet South of the N. W. Cor. of said Pogue Survey; N. 86  
6 Deg 38 min. E. 439 feet to the N. E. Cor. of said Windsor Park  
7 Addition;

8           THENCE S. 1 deg. 07 min. E. 2345.4 feet to the North line of  
9 Texas State Highway No. 24; Westerly along the North line of said  
10 highway to the East line of the J. D. Lilly Survey, Abstract No.  
11 762; South along the East line of the J. D. Lilly Survey and the West  
12 line of the Wm. Lloyd Survey, Abstract No. 773 to a point midway in  
13 the common North and South line of said surveys;

14           THENCE departing from said City of Denton City Limits  
15 Boundary line on a course S. 50 degrees East through said Wm. Lloyd,  
16 M. E. P. & P. R. R. Co., Survey, Abstract No 1473 and Abstract No 927  
17 to a point in the East line of said Abstract no. 927 and the West  
18 line of the Moreau Forrest Survey, Abstract No. 417, being the S. W.  
19 Cor. of Block "B" and the N.W. Cor. of Block "C" of said Forrest  
20 Survey according to the plat of the Subdivision of said Survey, of  
21 Record in Volume 50, page 236 of the Deed Records of Denton County,  
22 Texas;

23           THENCE EAST in the center of a road between said Blocks B & C  
24 to the N. E. Cor. of Lot 4, Block B, of said Subdivision;

25           THENCE S. 60 deg. E. through said Forrest Survey to a point in  
26 the South line of Lot 2, Block "F" of said Subdivision 430 varas  
27 East of the S. W. Cor. of said Lot 2, same being a point in the West

1 property line of the U. S. A. Garza-Little Elm Reservoir, known as  
2 the 535 foot Elevation Contour Line, as acquired originally by the  
3 City of Dallas, Texas, for the Lake Dallas Reservoir;

4       THENCE following and along said 535 foot contour line and the  
5 property line of said Reservoir as set out and described by field  
6 notes and maps of record in the Office of the County Clerk of Denton  
7 County, Texas, in metes and bounds, reference to which is hereby  
8 made, in a generally Northerly direction through the said Moreau  
9 Forrest Survey, the William Dabbs Survey, Abstract No. 328, the T.  
10 H. Living Survey, Abstract No. 729, the J. Douthitt Survey,  
11 Abstract No. 329, the J. West Survey, Abstract No. 1331 to a point  
12 in the South line of said West Survey that is 1,100 varas East of the  
13 S. W. Cor. of said West Survey, said point being the S.E. Corner of  
14 the G.W. Martin Estate 460 acre tract in said West Survey;

15       THENCE North 2,994 varas to the N.E. Cor. of said 460 acres in  
16 the North line of said West Survey and the South line of the J. A.  
17 Clayton Survey, Abstract No. 221;

18       THENCE West 1030.5. varas to the N. W. Cor. of said West  
19 Survey and the S. W. Cor. of said Clayton Survey, same being the S.  
20 E. Cor. of the J. Petty Survey, Abstract No. 1027;

21       THENCE North along the East line of said Petty Survey 1,100  
22 feet;

23       THENCE N. 70 deg. W. to the S.W. Cor. of the P. O'Leary  
24 Survey, Abstract No. 977, same being the middle S. E. Cor. of the  
25 John Thomas Survey, Abstract No. 1240;

26       THENCE North 816 varas to the N. E. Cor. of the W. N. Masters  
27 Estate 173 acre tract in said Thomas Survey;

1           THENCE West 190 varas to the S. E. Cor. of the E. L. Lynch 100  
2 acre tract in said Thomas Survey;

3           THENCE North 1000 feet; THENCE N. 60 deg. W. through said 100  
4 acre tract to a point in its West line at the S. E. Cor. of the  
5 Kenneth Craver 27.50 acre tract in said Thomas Survey; THENCE N. 40  
6 Deg. W. to the North line of said Thomas Survey and the South line of  
7 the W. A. Thompson Survey, Abstract No. 1238 that is 1,900 feet East  
8 of S. W. Cor. of said Thompson Survey;

9           THENCE North 2843 feet to a point in the North line of the  
10 Ellen Davis 318 acre tract in said Thompson Survey;

11           THENCE West 900 feet to the N. W. Cor. of said 318 acres in the  
12 West line of said Thompson Survey and the East line of the A. W.  
13 Patton Survey, Abstract No. 990;

14           THENCE North 1,060 feet to the N. E. Cor. of the Stormy  
15 Jackson 351.77 acre tract in said Patton Survey;

16           THENCE West 1320 feet to a point in the South line of the  
17 Kenneth Craver 222.84 acre tract in said Patton Survey;

18           THENCE North crossing the North line of said Patton Survey  
19 and the South line of the John Morton Survey, Abstract No. 792,  
20 continuing North to the North line of said Morton Survey and the  
21 South line of the Carmel Manchaca Survey, Abstract No. 790 at a  
22 point 1320 feet West of their common East Corner;

23           THENCE West 185 feet to the S. E. Corner of the Jessie Earl  
24 Seal 69 acre tract in said Manchaca Survey;

25           THENCE N. 30 deg. W. through said Manchaca Survey to the S. E.  
26 Cor. of the Mrs. Harriett McReynolds 209.5 acre tract in said  
27 Manchaca Survey;

1           THENCE North along the East line of said 209.5 acre tract 1800  
2 feet;

3           THENCE West 3,009 feet to the N. W. Cor. of said 209.5 acres  
4 in the West line of said Manchaca Survey;

5           THENCE NORTH ALONG THE West line of said Manchaca Survey and  
6 the East line of the John Morton Survey, Abstract No. 792 to a point  
7 in the East line of the H. S. Talley 122 acre tract that is 1,952  
8 feet South of the N. E. Cor. of said 122 acres;

9           THENCE N. 35 deg W. to a point in the North line of said 122  
10 acres that is 1,500 feet West of its N. E. Cor.; THENCE North to the  
11 Northline of the H. S. Talley 127.5 acre tract in said Morton  
12 Survey, a point 1,500 feet West of the N. E. Cor. of said 127.5  
13 acres;

14           THENCE N. 50 deg. W. crossing the West line of said Morton  
15 Survey and the East line of the Reuben Bebee Survey and continuing  
16 said course through said Bebee Survey to the S. E. Cor of the G. H.  
17 Davis 62.48 acre tract in said Bebee Survey; THENCE west 1,460 feet  
18 to the S. W. Cor. of said 62.43 acre tract;

19           THENCE S. 40 deg. W. to a point in the West line of the Bobby  
20 Joe Ready 69 acre tract and the East line of the B. B. Looper 80 acre  
21 tract in said Bebee Survey that is 1,000 feet North of the S. E. Cor.  
22 of said 80 acres and S. W. Cor. of said 69 acres;

23           THENCE N. 45 deg. W. through said Bebee Survey to the S. E.  
24 Cor. of the Legear and Cooper 184 acre tract in said Bebee Survey;  
25 THENCE West 2,669 feet to the S. W. Cor. of said 184 acres; THENCE  
26 North 4,732 feet to the N. W. Cor. of said 184 acres, a point in the  
27 North line of said Bebee Survey and the South line of the B. F. Lynch

1 Survey, Abstract No. 725; THENCE West 500 feet to the S. E. Cor. of  
2 the F. N. Michael 100 acre tract in said Lynch Survey;

3 THENCE N. 40 deg. W. through said Lynch Survey to its West  
4 line and the East line of the William Mason Survey, Abst. No. 801, a  
5 point 4500 feet North of the common South corner of said Mason &  
6 Lynch Surveys; THENCE West through said Mason Survey 5,062 feet to a  
7 point in the East line of the Ruby Seal Dennis 160 acre tract out of  
8 said Mason Survey that is 1,200 feet North of its S. E. Cor.; Thence  
9 N. 25 deg. W. crossing the North line of said Mason Survey and the  
10 South line of the B. B. B. & C. R. R. Co., Survey, Abstract No. 199  
11 at a point 2700 feet East of the N. W. Cor. of said Mason Survey and  
12 continuing said course crossing the North line of said B. B. B. & C.  
13 R. R. Co. Survey at a point 4350 feet East of the S. W. Corner of the  
14 Edward Bradley Survey and continuing said course to a point in the  
15 North line of Denton County and the South line of Cooke County that  
16 is 4000 feet East of 670 feet North of the S. W. Cor. of said Bradley  
17 Survey.

18 THENCE North from the North Denton and the South Cooke County  
19 line to the N. W. corner of 90.7 acres out of the John Adda Survey  
20 Abst. No. 1177, owned by W. R. Chatfield;

21 THENCE W. 431 vrs to S. W. Cor of 91 acre tract owned by H. J.  
22 Hassenpflug;

23 THENCE N. 1117 varas to the N. E. Cor. of Willis Hester Survey  
24 #1200;

25 THENCE W. 1057 varas to S. W. Corner of B. B. B. & C. R. R. Co  
26 Surv Abst #1747;

27 THENCE N with the road to the corner of road;

1           THENCE W. 997-1/2 vrs to S. W. cor of 69.8 acres owned by  
2 Howard Springer formerly owned by Phillip Miller and the N. W. Cor.  
3 of 96-1/2 acres owned by R. L. Masten;

4           THENCE: North 1093 varas, to NE cor of a 113.75 acres owned by  
5 T. J. Maston now owned by D. D. Roberson;

6           THENCE W 627 vrs to S. W. Cor of 50 acre tract owned by T. S.  
7 Stephens on N. line of 113.75 acres T. J. Maston land;

8           THENCE North 1795 vrs to N E cor of a 70 acres owned by W. S.  
9 Pace Estate and the N W cor of the 100 acres owned by Dan Flint;

10          THENCE West 190 varas to S. E. Cor of 117 acres of Isa  
11 Hudspeth, on the North line of 70 acres owned by W. S. Pace Estate.

12          THENCE North 894-1/2 vrs to N E corner of Isa Hudspeth 117  
13 acres;

14          THENCE West 134 vrs to corner on N line of 117 acres owned by  
15 Isa Hudspeth;

16          THENCE North 767-1/2 varas to N. E. Cor of 40 acre tract owned  
17 by Lucy Mae Nichols;

18          THENCE West 240 vrs to S. E. Cor of a 155-1/2 acres on the S  
19 line of the J. Dillingham survey and the North line of Bushnell  
20 Garner Survey;

21          THENCE North 937 vrs to N E corner of 155-1/2 acres in the  
22 Dillingham Survey Abstract #297 owned by R. E. Nichols estate;

23          THENCE West 937 varas to N. W. cor. of a 155-1/2 acres owned  
24 by R. E. Nichols estate;

25          THENCE North 144 vrs to the N. E. Corner of 395 acres on the E.  
26 Line of the C. O. D. Gillan survey and the West line of Dillingham  
27 Survey;

1           THENCE West 1032 vrs to S. E. corner of W. G. Colwell 250  
2 acres on North line 395 acres formerly owned by J. B. Dunningham  
3 estate and now owned by F. W. Fischer;

4           THENCE North 1362 vrs to N E corner of said Colwell 250 acres;

5           THENCE West 1036 vrs to N W cor. of the W. G. Colwell estate,  
6 out of the COD Gillan survey, which is also the S W corner of Robt A.  
7 Bently 286.6 acres tract out of the N W cor of said COD Gillan  
8 Survey:

9           THENCE South 500 vrs to S. E. corner a 346 acre formerly owned  
10 by G. D. Lewis estate now owned by Mrs Francis Jones Yarbrough;

11           THENCE West 1252 vrs to S. W. corner of the said 346 acre  
12 tract now owned by Francis Jones Yarbrough;

13           THENCE South 22 vrs to the S. E. corner a 100.67 a tract  
14 formerly owned by Robert Baird et al, now owned by Mrs Cora  
15 Staniforth;

16           THENCE South 234 vrs to S. E. Cor. of 132.95 acres of J. A.  
17 Wylie, now owned by Hubert Felderhoff;

18           THENCE West 847 vrs to S. W. Corner of said 132.95 acres;

19           THENCE North 556 vrs to S. E. Cor. of 50 acres of land out of  
20 the Thomas Cooke survey, owned by the estate of G. E. Bently, which  
21 is also the N. E. cor. of 80 acre tract owned by said Bentley Estate;

22           THENCE West 819 vrs to S W corner of said 50 acres;

23           THENCE North 650 vrs to S. E. Corner of the Williams 1000 acre  
24 tract; on the E. B. line of the H. Nail survey Abst. # 790 which is  
25 also the W. Line of the Thos. Cooke Survey;

26           THENCE West 2195 vrs to S. W. Corner of said Williams 1000  
27 acres;



1           THENCE North 2388 vrs to the N W corner of the B M Williams  
2 estate 1000 acres out of N E cor. of the Nail Survey;

3           THENCE West 1090 vrs to S. W. cor. of P. G. Yarbrough survey  
4 Abst. No. 1175;

5           THENCE N 1900 vrs to N W cor. of said Yarbrough survey;

6           THENCE E. 174 vrs to S. W. corner of Melville Langham survey  
7 abst. no. 564;

8           THENCE North 1150 vrs to N. E. Corner of the Jones land in the  
9 James Lewis survey Abst. No. 567; on the West line of the Melville  
10 Langham Surv;

11           THENCE West 1506 varas a corner;

12           THENCE South 356 vrs a corner;

13           THENCE West 601-3/4 vrs a corner;

14           THENCE South 902-1/4 vrs to South line of Lewis survey, Abst.  
15 No. 567;

16           THENCE West 601 vrs to S W corner of said James Lewis survey;

17           THENCE North 800 vrs on the W B Line of James Lewis Survey to S  
18 E cor. Joseph Gregory 100a tract;

19           THENCE West 1013 vrs to S. W. corner of Joseph Gregory 100  
20 acres now owned by Earl Bentley;

21           THENCE North 553 vrs to NW cor. of said 100 acres,

22           THENCE West 522 vrs to the S.E. cor. of 100 acre tract  
23 formerly owned by R. L. Hickcox;

24           THENCE North 650 vrs to the Gainesville and Forestburg road,  
25 being the S. Line of the BBB & CRR Co Survey Abst. No. 146; also N  
26 Line of Thos. Toby Surveys Abst. No. 1060 & #1062;

27           THENCE West 2605 vrs along the Gainesville and Forestburg

1 road to the Muenster and Linn Schoolhouse road and the E. Line of  
2 the E. Langford Survey, Abst. No. 566;

3 THENCE North 950 vrs, along the E. Line of the said E.  
4 Langford survey;

5 THENCE West 4650 vrs parallel with N. Line of said Langford  
6 survey to the West line of said Langford Survey:

7 THENCE North 550 varas with the W. Line of said Langford  
8 survey to its North West corner;

9 THENCE West 878 vrs to the E. Line of the W. W. Hobson survey  
10 Abstract No. 481;

11 THENCE North 45 degrees West 900 vrs to the North line of the  
12 W. W. Hobson survey Abst. No. 481;

13 THENCE North 900 varas to the S. Corner of the BBB & CRR Co  
14 Survey Abstract No. 145;

15 THENCE North 55 degrees West, 1900 varas to West corner of  
16 said BBB & CRR Co Survey;

17 THENCE South 35 degrees West 180 vrs to the S. Corner of the  
18 W. T. & S. T. Perry Survey Abst. No. 1424;

19 THENCE North 55 degrees West 1900 vrs to the North corner of  
20 the SPRR Co Survey Abst. No. 985;

21 THENCE North 35 de. E. 181 vrs to the South corner of the BBB &  
22 CRR Co survey, Abst. #136;

23 THENCE North 55 degrees West with the South Boundary line of  
24 said BBB & CRR Co Survey, Abst. 136, at its intersection of the  
25 Cooke and Montague County lines, to the place of beginning,

26 ~~[No error or discrepancy in the foregoing field notes shall~~  
27 ~~adversely affect the validity of the Authority or the exercise of~~

1 ~~any power of the Authority granted herein, it being hereby found and~~  
2 ~~determined that all of the territory and taxable property contained~~  
3 ~~within such boundaries will be benefited by the works and~~  
4 ~~improvements of the Authority.]~~

5 SECTION 2.02. To conform to Section 311.026, Government  
6 Code, the following sections of the Special District Local Laws  
7 Code are repealed:

- 8 (1) 3801.102;
- 9 (2) 3802.102;
- 10 (3) 3803.008;
- 11 (4) 3804.102;
- 12 (5) 3805.008;
- 13 (6) 3806.102;
- 14 (7) 3807.007;
- 15 (8) 3808.007;
- 16 (9) 3811.007;
- 17 (10) 3812.007;
- 18 (11) 3813.102;
- 19 (12) 3815.007;
- 20 (13) 3816.008;
- 21 (14) 6601.101(b);
- 22 (15) 6901.052;
- 23 (16) 8102.101(b);
- 24 (17) 8801.101(b);
- 25 (18) 9003.101(b); and
- 26 (19) 11001.002(c).

ARTICLE 3. REPEALER

SECTION 3.01. The following statutes are repealed:

(1) Chapter 136, Acts of the 55th Legislature, Regular Session, 1957;

(2) Sections B-D, Chapter 32, Acts of the 56th Legislature, Regular Session, 1959;

(3) Section 5, Chapter 71, Acts of the 70th Legislature, 2nd Called Session, 1987;

(4) Sections 1.01 and 1.02 and Articles 2-11, Chapter 137, Acts of the 70th Legislature, Regular Session, 1987;

(5) Chapter 355, Acts of the 71st Legislature, Regular Session, 1989;

(6) Chapter 238, Acts of the 58th Legislature, Regular Session, 1963;

(7) Chapter 74, Acts of the 66th Legislature, Regular Session, 1979;

(8) Chapter 494, Acts of the 60th Legislature, Regular Session, 1967;

(9) Subchapter C, Chapter 396, Local Government Code;

(10) Sections 1, 2, and 4-17, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;

(11) Section 6, Chapter 1453, Acts of the 77th Legislature, Regular Session, 2001;

(12) Sections 1 and 3, Chapter 10, Acts of the 78th Legislature, Regular Session, 2003;

(13) Sections 1-3 and 5-33, Chapter 784, Acts of the 78th Legislature, Regular Session, 2003;

- 1           (14) Sections 1-3 and 5-32, Chapter 997, Acts of the  
2 78th Legislature, Regular Session, 2003;
- 3           (15) Sections 1-3 and 5-33, Chapter 1160, Acts of the  
4 78th Legislature, Regular Session, 2003;
- 5           (16) Sections 1-3 and 5-32, Chapter 1254, Acts of the  
6 78th Legislature, Regular Session, 2003;
- 7           (17) Sections 1-3 and 5-26, Chapter 1159, Acts of the  
8 78th Legislature, Regular Session, 2003;
- 9           (18) Sections 1-3 and 5-32, Chapter 1255, Acts of the  
10 78th Legislature, Regular Session, 2003;
- 11           (19) Sections 1-3 and 5-20, Chapter 885, Acts of the  
12 78th Legislature, Regular Session, 2003;
- 13           (20) Sections 1-3 and 5-20, Chapter 1297, Acts of the  
14 78th Legislature, Regular Session, 2003;
- 15           (21) Sections 1-3 and 5-26, Chapter 765, Acts of the  
16 78th Legislature, Regular Session, 2003;
- 17           (22) Sections 1, 2, and 4-33, Chapter 1292, Acts of the  
18 78th Legislature, Regular Session, 2003;
- 19           (23) Sections 1-3 and 5-31, Chapter 987, Acts of the  
20 78th Legislature, Regular Session, 2003;
- 21           (24) Sections 1-3 and 5-28, Chapter 777, Acts of the  
22 78th Legislature, Regular Session, 2003;
- 23           (25) Articles 1-8, Subchapter B, Chapter 777, Acts of  
24 the 78th Legislature, Regular Session, 2003;
- 25           (26) Sections 1-3 and 5-21, Chapter 1157, Acts of the  
26 78th Legislature, Regular Session, 2003;
- 27           (27) Sections 1 and 3-11, Chapter 66, Acts of the 55th

1 Legislature, Regular Session, 1957;

2 (28) Sections 2-12, Chapter 26, Special Laws, Acts of  
3 the 41st Legislature, 4th Called Session, 1930;

4 (29) Sections 2-4, Chapter 108, Acts of the 56th  
5 Legislature, Regular Session, 1959;

6 (30) Section 2, Chapter 133, Acts of the 57th  
7 Legislature, Regular Session, 1961;

8 (31) Section 2, Chapter 247, Acts of the 57th  
9 Legislature, Regular Session, 1961;

10 (32) Sections 1-3, 4(b), and 5-14, Chapter 522, Acts  
11 of the 71st Legislature, Regular Session, 1989;

12 (33) Sections 1-3 and 5-18, Chapter 600, Acts of the  
13 63rd Legislature, Regular Session, 1973;

14 (34) Sections 1, 2, and 4-11, Chapter 959, Acts of the  
15 73rd Legislature, Regular Session, 1993;

16 (35) Sections 1 and 3-25, Chapter 357, Acts of the 61st  
17 Legislature, Regular Session, 1969 (V.A.C.S. Article 8280-438);

18 (36) Chapter 429, Acts of the 70th Legislature,  
19 Regular Session, 1987;

20 (37) Sections 2-8, Chapter 244, Acts of the 58th  
21 Legislature, Regular Session, 1963 (V.A.C.S. Article 8280-286);

22 (38) Sections 1A-6, Chapter 523, Acts of the 54th  
23 Legislature, Regular Session, 1955 (V.A.C.S. Article 8280-189);

24 (39) Section 2, Chapter 1052, Acts of the 68th  
25 Legislature, Regular Session, 1983;

26 (40) Sections 1 and 3-14, Chapter 372, Acts of the 56th  
27 Legislature, Regular Session, 1959 (V.A.C.S. Article 8280-234);

- 1           (41) Chapter 605, Acts of the 63rd Legislature,  
2 Regular Session, 1973;
- 3           (42) Chapter 370, Acts of the 73rd Legislature,  
4 Regular Session, 1993;
- 5           (43) Chapter 544, Acts of the 74th Legislature,  
6 Regular Session, 1995;
- 7           (44) Section 2, Chapter 1104, Acts of the 76th  
8 Legislature, Regular Session, 1999;
- 9           (45) Chapter 337, Acts of the 58th Legislature,  
10 Regular Session, 1963 (V.A.C.S. Article 8280-296); and
- 11           (46) Sections 2 and 3, Chapter 582, Acts of the 62nd  
12 Legislature, Regular Session, 1971.

13                   ARTICLE 4. GENERAL MATTERS

14           SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.

15 This Act is enacted under Section 43, Article III, Texas  
16 Constitution. This Act is intended as a codification only, and no  
17 substantive change in the law is intended by this Act. This Act  
18 does not increase or decrease the territory of any special district  
19 of the state as those boundaries exist on the effective date of this  
20 Act.

21           SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS

22 LAW. (a) The repeal of a law, including a validating law, by this  
23 Act does not remove, void, or otherwise affect in any manner a  
24 validation under the repealed law. The validation is preserved and  
25 continues to have the same effect that it would have if the law were  
26 not repealed.

27           (b) Subsection (a) of this section does not diminish the

1 saving provisions prescribed by Section 311.031, Government Code.

2 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April

3 1, 2007.



David Swihurst

President of the Senate

Jim Caddick

Speaker of the House

I certify that H.B. No. 2019 was passed by the House on May 4, 2005, by a non-record vote.

Robert Haney

Chief Clerk of the House

I certify that H.B. No. 2019 was passed by the Senate on May 24, 2005, by the following vote: Yeas 31, Nays 0

Darryl Spaw

Secretary of the Senate

APPROVED:

17 JUNE 05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2:10 P.M. 'CLOCK

JUN 17 2005

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
O'CLOCK

JUN 17 2005

Roger Williams  
Secretary of State