By: _____ S.B. No. 1029

A BILL TO BE ENTITLED

AN ACT

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

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

ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

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

CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1001.001. DEFINITIONS

Sec. 1001.002. NATURE OF DISTRICT

Sec. 1001.003. DUTY TO NAME DISTRICT

Sec. 1001.004. DISTRICT TERRITORY

[Sections 1001.005-1001.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1001.051. BOARD; TERM

Sec. 1001.052. MANAGER REMOVAL

Sec. 1001.053. OFFICERS

Sec. 1001.054. COMPENSATION

Sec. 1001.055. RECORDS OF PROCEEDINGS

Sec. 1001.056. DISTRICT ADMINISTRATOR

Sec. 1001.057. GENERAL DUTIES OF DISTRICT ADMINISTRATOR

Sec. 1001.058. ASSISTANT ADMINISTRATOR

Sec. 1001.059. LEGAL COUNSEL

Sec. 1001.060. EMPLOYEES

Sec. 1001.061. PHYSICIAN QUALIFICATION

Sec. 1001.062. HEALTH CARE EDUCATIONAL PROGRAMS

Sec. 1001.063. RETIREMENT PROGRAM

Sec. 1001.064. LIABILITY INSURANCE

Sec. 1001.065. SEAL

[Sections 1001.066-1001.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1001.101. DISTRICT RESPONSIBILITY

Sec. 1001.102. RESTRICTION ON MUNICIPAL OR COUNTY TAXATION

Sec. 1001.103. MANAGEMENT, CONTROL, AND ADMINISTRATION

Sec. 1001.104. HOSPITAL SYSTEM

Sec. 1001.105. RULES

Sec. 1001.106. PURCHASING AND ACCOUNTING PROCEDURES

Sec. 1001.107. ELIGIBILITY STANDARDS; PRICING

Sec. 1001.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT

Sec. 1001.109. EMINENT DOMAIN

Sec. 1001.110. GIFTS AND ENDOWMENTS

Sec. 1001.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS

Sec. 1001.112. JOINT ADMINISTRATION OR DELIVERY OF HEALTH CARE SERVICES

Sec. 1001.113. PAYMENT FOR TREATMENT; PROCEDURES

Sec. 1001.114. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS

Sec. 1001.115. AUTHORITY TO SUE AND BE SUED

[Sections 1001.116-1001.150 reserved for expansion]

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1001.151. PETITION TO EXPAND DISTRICT TERRITORY

Sec. 1001.152. NOTICE OF HEARING

Sec. 1001.153. ORDER OF ANNEXATION

Sec. 1001.154. RATIFICATION ELECTION

Sec. 1001.155. NOTICE OF RATIFICATION ELECTION

Sec. 1001.156. ASSUMPTION OF DEBT AND TAXES

Sec. 1001.157. BALLOT

[Sections 1001.158-1001.200 reserved for expansion]

SUBCHAPTER E. EXPANSION OF SERVICE INTO RANDALL COUNTY

Sec. 1001.201. ELECTION ON EXPANSION OF SERVICE

Sec. 1001.202. BALLOT

Sec. 1001.203. ELECTION RESULTS

Sec. 1001.204. TAXES

Sec. 1001.205. PARTICIPATION IN OPERATION OF DISTRICT

Sec. 1001.206. CUMULATIVE EFFECT

[Sections 1001.207-1001.250 reserved for expansion]

SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY TERRITORY

Sec. 1001.251. ELECTION ON DISCONTINUATION OF SERVICE

Sec. 1001.252. BALLOT

Sec. 1001.253. ELECTION RESULTS

Sec. 1001.254. TAXES

[Sections 1001.255-1001.300 reserved for expansion]

SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

Sec. 1001.301. BUDGET

Sec. 1001.302. FINANCIAL REPORT

Sec. 1001.303. DEPOSITORY

[Sections 1001.304-1001.350 reserved for expansion]

SUBCHAPTER H. BONDS

Sec. 1001.351. GENERAL OBLIGATION BONDS

Sec. 1001.352. TAX TO PAY GENERAL OBLIGATION BONDS

Sec. 1001.353. GENERAL OBLIGATION BOND ELECTION

Sec. 1001.354. EXECUTION OF GENERAL OBLIGATION BONDS

Sec. 1001.355. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS

Sec. 1001.356. REVENUE BONDS

Sec. 1001.357. PAYMENT OF REVENUE BONDS; SECURITY

Sec. 1001.358. USE OF REVENUE BOND PROCEEDS

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

Sec. 1001.360. REFUNDING BONDS

Sec. 1001.361. BONDS EXEMPT FROM TAXATION

[Sections 1001.362-1001.400 reserved for expansion]

SUBCHAPTER I. TAXES

Sec. 1001.401. IMPOSITION OF AD VALOREM TAX

Sec. 1001.402. DUTY TO IMPOSE TAX

Sec. 1001.403. POTTER COUNTY TAX

Sec. 1001.404. TAX ASSESSOR-COLLECTOR

Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS

CHAPTER 1001. CITY OF AMARILLO HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1001.001. DEFINITIONS. In this chapter:

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

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

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

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

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

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

(2) a body politic and corporate.

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

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

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

(1) Subchapter D; or

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

[Sections 1001.005-1001.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

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

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

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

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

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

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

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

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

(b) After each meeting:

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

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

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

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

(2) determine the administrator's compensation.

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

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

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

(2) contains other conditions the board may require. (Acts 55th Leg., R.S., Ch. 136, Sec. 5, Subsec. b (part).)

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

(1) perform the duties required by the board;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 5, Subsec. i.)

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

(1) the public; or

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

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

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

(2) cooperative funding of the educational programs.

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

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

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

Sec. 5, Subsec. f.)

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

[Sections 1001.066-1001.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

(2) all accounting and control procedures.

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

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

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

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

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

(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

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

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

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

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

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

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

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

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

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

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

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

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

(1) a managed care system;

(2) a preferred provider organization;

(3) a health maintenance organization;

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

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

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

(1) the patient; and

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

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

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

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

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

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

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

[Sections 1001.116-1001.150 reserved for expansion]

SUBCHAPTER D. CHANGE IN BOUNDARIES

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

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

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

a defined territory in the district.

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

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

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

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

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

(1) an election held in the district; and

(2) a separate election held in the territory to be annexed.

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

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

(d) The election order must state:

(1) the nature of the election, including the

proposition to appear on the ballot;

(2) the date of the election;

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

(4) the location of the polling places.

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

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

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

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

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

(1) the district; and

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

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

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

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

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

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

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

[Sections 1001.158-1001.200 reserved for expansion]

SUBCHAPTER E. EXPANSION OF SERVICE
INTO RANDALL COUNTY

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

(1) the City of Amarillo Hospital District to serve

the residents of that designated area of Randall County; and

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

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

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

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

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

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

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

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

inhabitants of that area; and

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

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

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

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

[Sections 1001.207-1001.250 reserved for expansion]

SUBCHAPTER F. DISCONTINUATION OF SERVICE TO RANDALL COUNTY TERRITORY

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

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

(1) the provision of services by the district; and

(2) the imposition of taxes to support the district.

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

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

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

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

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

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

[Sections 1001.255-1001.300 reserved for expansion]

SUBCHAPTER G. GENERAL FINANCIAL PROVISIONS

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

(b) The governing body and the board shall:

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

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

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

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

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

(1) a complete sworn statement of:

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

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

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

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

(1) the board;

(2) the governing body;

(3) the Potter County Commissioners Court;

(4) the Texas Board of Health; and

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

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

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

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

[Sections 1001.304-1001.350 reserved for expansion]

SUBCHAPTER H. BONDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Refunding bonds may be:

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

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

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

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

(1) bonds issued by the district;

(2) a transaction relating to the bonds; and

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

[Sections 1001.362-1001.400 reserved for expansion]

SUBCHAPTER I. TAXES

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

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

(c) The tax may be used to:

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

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

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

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

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

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

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

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

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

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

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

Sec. 1001.405. INTEREST, PENALTIES, AND DISCOUNTS.

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

CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

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CHAPTER 1004. BALLINGER MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1004.001. 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 Ballinger Memorial Hospital District. (Acts 70th Leg., R.S., Ch. 137, Sec. 1.01.)

Sec. 1004.002. AUTHORITY FOR OPERATION. The Ballinger Memorial Hospital District operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

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

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

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

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

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

[Sections 1004.007-1004.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

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

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

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

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

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

directors.

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

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

(1) a resident of the district; and

(2) a qualified voter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1004.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY. (a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

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

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

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

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

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

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

(1) advertising and marketing;

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

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

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

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

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

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

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

Sec. 1004.065. RETIREMENT BENEFITS. The board may provide

retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

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

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

[Sections 1004.066-1004.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The board may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) the patient; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Sections 1004.117-1004.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

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

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

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

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

after the date the election is ordered.

(e) The order calling the election must state:

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

(2) the date of the election;

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

(4) the location of the polling places.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

value.

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

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

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

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

[Sections 1004.158-1004.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

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

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

(1) the outstanding obligations of the district;

(2) the amount of cash on hand to the credit of each fund of the district;

(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

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

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

(7) the estimated tax rate required. (Acts 70th Leg., R.S., Ch. 137, Sec. 6.04.)

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

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

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

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

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

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

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

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

(b) The fiscal year may not be changed:

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

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

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

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

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

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

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

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

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

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

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

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

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

[Sections 1004.212-1004.250 reserved for expansion]

SUBCHAPTER F. BONDS

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

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

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

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

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

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

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

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

(1) the nature and date of the election;

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

(3) the location of polling places;

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

(5) the maximum maturity of the bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) bonds issued by the district;

(2) any transaction relating to the bonds; and

(3) profits made in the sale of the bonds. (Acts 70th Leg., R.S., Ch. 137, Sec. 7.11 (part).)

[Sections 1004.258-1004.300 reserved for expansion]

SUBCHAPTER G. AD VALOREM TAX

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

(b) The tax may be used to pay:

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

(2) the maintenance and operating expenses of the district.

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

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

at the election authorizing the imposition of a tax.

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

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

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

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

(1) requests the election;

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

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

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

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

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

(e) The election order must state:

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

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

(3) the date of the election;

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

(5) the location of the polling places.

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

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

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

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

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

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

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

CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

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CHAPTER 1005. BAYLOR COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1005.001. 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 Baylor County Hospital District.

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

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

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

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

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

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

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

[Sections 1005.007-1005.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

(1) a resident of the district; and

(2) a qualified voter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) establishing or administering a retirement program; or

(2) participating in:

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

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

[Sections 1005.066-1005.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

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

(1) nursing homes;

(2) home health care agencies;

(3) extended care facilities;

(4) retirement villages; and

(5) medical office buildings. (Acts 71st Leg., R.S., Ch. 355, Sec. 5.02(d).)

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

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

(2) the type of equipment necessary to furnish health care to district residents.

(b) The board may:

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

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

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

district.

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

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

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

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

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

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

(1) provide a mobile emergency medical service; or

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

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

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

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

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

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

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

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

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

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

Sec. 1005.115. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an individual who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; or

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

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

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

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

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

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

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

[Sections 1005.118-1005.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

(1) the outstanding obligations of the district;

(2) the amount of cash on hand in each district fund;

(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

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

(6) the estimated amount of revenues and balances available for the proposed budget; and

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

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

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

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

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

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

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

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

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

(b) The fiscal year may not be changed:

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

are outstanding; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Sections 1005.162-1005.200 reserved for expansion]

SUBCHAPTER E. BONDS

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

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

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

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

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

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

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

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

(1) the nature and date of the election;

(2) the hours during which the polls must be open;

(3) the location of the polling places;

(4) the amount of the bonds to be authorized; and

(5) the maximum maturity of the bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) bonds issued by the district;

(2) any transaction relating to the bonds; and

(3) profits made in the sale of the bonds. (Acts 71st Leg., R.S., Ch. 355, Sec. 7.11 (part).)

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

(b) Refunding bonds may be:

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

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

[Sections 1005.209-1005.250 reserved for expansion]

SUBCHAPTER F. AD VALOREM TAX

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

(b) The tax may be used to pay:

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

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

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

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

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

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

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

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

CHAPTER 1006. CAPROCK HOSPITAL DISTRICT

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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

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

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

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

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

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

[Sections 1006.007-1006.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

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

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

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

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

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

(1) signed by at least 25 qualified voters; and

(2) filed at least 25 days before the date of the election. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

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

(1) be a resident of the district; and

(2) own land in the district subject to taxation. (Acts 58th Leg., R.S., Ch. 238, Sec. 4 (part).)

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

(1) payable to the district; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Sections 1006.063-1006.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

(2) equipping the buildings and improvements; and

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

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

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

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

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

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

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

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

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

Sec. 1006.109. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a) The board may contract with a county or a municipality located outside the district for the care and treatment of sick or injured persons of that county or municipality.

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

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

(1) the patient; and

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

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

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

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

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

(1) resolve the dispute or doubt; and

(2) issue an appropriate order. (Acts 58th Leg., R.S., Ch. 238, Sec. 14.)

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

[Sections 1006.112-1006.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL ADMINISTRATION OF DISTRICT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) an emergency exists.

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

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

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

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

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

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

this section for any purpose other than:

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

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

[Sections 1006.157-1006.200 reserved for expansion]

SUBCHAPTER E. BONDS

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

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

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

(1) create an interest and sinking fund; and

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

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

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

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

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

(c) The bond election order must specify:

(1) the date of the election;

(2) the location of the polling places;

(3) the presiding election officers;

(4) the amount of the bonds to be authorized;

(5) the maximum interest rate of the bonds; and

(6) the maximum maturity of the bonds. (Acts 58th Leg., R.S., Ch. 238, Sec. 7 (part).)

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

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

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

(b) A refunding bond may be:

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

indebtedness to be refunded; or

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

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

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

(1) bonds issued by the district;

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

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

[Sections 1006.207-1006.250 reserved for expansion]

SUBCHAPTER F. TAXES

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

(b) The board shall impose the tax to:

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

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

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

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

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

Sec. 1006.253. TAX ASSESSOR-COLLECTOR. (a) The tax assessor-collector of Floyd County shall collect taxes imposed by the district and promptly transfer the money collected to the 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. The compensation shall be deposited in the county's general fund and reported as fees of office of the assessor-collector. (Acts 58th Leg., R.S., Ch. 238, Sec. 13 (part).)

CHAPTER 1008. CHILLICOTHE HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

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[Sections 1008.212-1008.250 reserved for expansion]

SUBCHAPTER F. BONDS

Sec. 1008.251. GENERAL OBLIGATION BONDS

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Sec. 1008.256. REVENUE BONDS

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Sec. 1008.258. BONDS EXEMPT FROM TAXATION

[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

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

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

[Sections 1008.007-1008.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

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

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

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

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

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

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

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

(1) a resident of the district; and

(2) a qualified voter.

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

(1) the district administrator;

(2) the attorney for the district; or

(3) a district employee. (Acts 66th Leg., R.S., Ch. 74, Sec. 3(h).)

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

(1) approved by the Commissioners Court of Hardeman County;

(2) payable to the district; and

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

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

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

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

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

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

members; and

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

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

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

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

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

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

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

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

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

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

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

(2) contains other conditions the board may require.

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

Sec. 1008.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district administrator shall:

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

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

Sec. 1008.062. ATTORNEY; ASSISTANT DISTRICT ADMINISTRATOR. (a) The board may appoint qualified persons as:

(1) the attorney for the district; and

(2) the assistant district administrator.

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

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

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

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

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

or other student in a health occupation who:

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

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

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

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

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

(1) establishing or administering a retirement program; or

(2) participating in:

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

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

[Sections 1008.066-1008.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

(1) operate all hospital facilities; and

(2) provide medical and hospital care for the

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

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

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

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

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

(2) equipping the buildings; and

(3) administering the system for hospital purposes.

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

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

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

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

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

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

(b) The board may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) the patient; and

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

the patient's support.

(b) If the district administrator determines that the patient or those relatives cannot pay all or part of the costs of the care and treatment in the hospital, the amount of the costs that cannot be paid becomes a charge against the district.

(c) If the district administrator determines that the patient or those relatives can pay for all or part of the costs of the patient's care and treatment, the patient or those relatives shall be ordered to pay the district a specified amount each week for the patient's support. The amount ordered must be proportionate to the person's financial ability.

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

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

(1) resolve the dispute or doubt; and

(2) issue a final order.

(f) The final order may be appealed to the district court. The substantial evidence rule applies to the appeal. (Acts 66th Leg., R.S., Ch. 74, Sec. 16.)

Sec. 1008.116. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued. (Acts 66th Leg., R.S., Ch. 74, Sec. 4(a) (part).)

Sec. 1008.117. ADVERTISING FOR CERTAIN CONSTRUCTION

CONTRACTS. Contracts for construction involving the expenditure of more than $15,000 may be made only after advertising as provided by Subchapter B, Chapter 271, Local Government Code. (Acts 66th Leg., R.S., Ch. 74, Sec. 9(b) (part).)

[Sections 1008.118-1008.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

Sec. 1008.151. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

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

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

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

(e) The order calling the election must state:

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

(2) the date of the election;

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

(4) the location of the polling places.

(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(a), (b), (c).)

Sec. 1008.152. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing once a week for two consecutive weeks the election order in a newspaper with general circulation in the district.

(b) The first publication of the notice must appear not later than the 35th day before the date set for the election. (Acts 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

Sec. 1008.153. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Chillicothe Hospital District." (Acts 66th Leg., R.S., Ch. 74, Sec. 21A(d) (part).)

Sec. 1008.154. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district. (Acts 66th Leg., R.S., Ch. 74, Sec. 21A(e).)

Sec. 1008.155. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

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

(2) administer the property, assets, and debts until

all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(f), (g).)

Sec. 1008.156. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person or entity.

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

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

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

in satisfaction. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(m), (n).)

Sec. 1008.157. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

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

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

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

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the money to the county tax assessor-collector. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(h), (i), (j).)

Sec. 1008.158. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Hardeman County summarizing the board's actions in dissolving the district.

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

obligation. (Acts 66th Leg., R.S., Ch. 74, Secs. 21A(k), (l).)

[Sections 1008.159-1008.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 1008.201. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board.

(b) The proposed budget must contain a complete financial statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand in each district fund;

(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

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

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

(7) the estimated tax rate required. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed annual budget.

(b) The board shall publish notice of the hearing in accordance with Subchapter C, Chapter 551, Government Code.

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

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district

administrator. The board may make any changes in the proposed budget that the board judges to be in the interests of the taxpayers and that the law warrants.

(e) The budget is effective only after adoption by the board. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.203. AMENDMENTS TO BUDGET. The budget may be amended as required by circumstances. The board must approve all amendments. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.204. RESTRICTION ON EXPENDITURES. Money may be spent only for an expense included in the budget or an amendment to the budget. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.205. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period that revenue bonds of the district are outstanding; or

(2) more than once in a 24-month period. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.206. ANNUAL AUDIT. The board annually shall have an audit made of the district's financial condition. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.207. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records shall be open to inspection at the district's principal office. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.208. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator

shall prepare for the board:

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

(2) a complete account of the disbursements of that money. (Acts 66th Leg., R.S., Ch. 74, Sec. 5 (part).)

Sec. 1008.209. DEPOSITORY. (a) The board shall select one or more banks inside or outside the district to serve as a depository for district money.

(b) District money, other than money invested as provided by Section 1008.210, and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank has first executed a bond or other security in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation. (Acts 66th Leg., R.S., Ch. 74, Sec. 10.)

Sec. 1008.210. SPENDING AND INVESTMENT RESTRICTIONS. (a) Except as otherwise provided by this chapter, the district may not incur an obligation payable from district revenues other than the revenues on hand or to be on hand in the current and following

district fiscal years.

(b) The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 4(a) (part), 9(b) (part).)

Sec. 1008.211. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district obligations at the time the loan is made.

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

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

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

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

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made. (Acts 66th Leg., R.S., Ch. 74, Sec. 14A.)

[Sections 1008.212-1008.250 reserved for expansion]

SUBCHAPTER F. BONDS

Sec. 1008.251. GENERAL OBLIGATION BONDS. The board may issue and sell general obligations bonds in the name and on the faith and credit of the district for any purpose relating to:

(1) the purchase, construction, acquisition, repair,

or renovation of buildings or improvements; and

(2) equipping buildings or improvements for hospital purposes. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

Sec. 1008.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1008.251, the board shall impose an ad valorem tax at a rate sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of the tax. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

Sec. 1008.253. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting at an election held for that purpose.

(b) The board must specify in the order calling the election:

(1) the date of the election;

(2) the hours during which the polls must be open;

(3) the location of the polling places;

(4) the presiding and alternate election judges for each polling place;

(5) the amount of the bonds to be authorized; and

(6) the maximum maturity of the bonds.

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

(d) Chapter 41, Election Code, does not apply to an election held under this section.

(e) The board shall declare the results of the election. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(a) (part).)

Sec. 1008.254. MATURITY OF GENERAL OBLIGATION BONDS. District general obligation bonds must mature not later than 40 years after the date of issuance. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(c) (part).)

Sec. 1008.255. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code. (Acts 66th Leg., R.S., Ch. 74, Sec. 6(c) (part).)

Sec. 1008.256. REVENUE BONDS. (a) The board may issue revenue bonds to:

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

(2) acquire sites to be used for hospital purposes.

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

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

(d) The bonds must be issued in the manner and in accordance with the procedures and requirements prescribed by Sections 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for

issuance of revenue bonds by a county hospital authority. (Acts 66th Leg., R.S., Ch. 74, Sec. 8 (part).)

Sec. 1008.257. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) A refunding bond may be:

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

(2) exchanged in whole or in part for not less than a similar principal amount of outstanding indebtedness.

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Chapter 1207, Government Code. (Acts 66th Leg., R.S., Ch. 74, Secs. 6(a) (part), (b), 8 (part).)

Sec. 1008.258. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

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

(3) profits made in the sale of the bonds. (Acts 66th Leg., R.S., Ch. 74, Sec. 20 (part).)

[Sections 1008.259-1008.300 reserved for expansion]

SUBCHAPTER G. TAXES

Sec. 1008.301. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to district taxation.

(b) The tax may be used to pay:

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

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter. (Acts 66th Leg., R.S., Ch. 74, Secs. 11(a) (part), 14(a) (part), (c), (d).)

Sec. 1008.302. TAX RATE. (a) The board may impose the tax at a rate not to exceed the limit approved by the voters at the election authorizing the imposition of the tax.

(b) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each $100 valuation of all taxable property in the district.

(c) In setting the tax rate, the board shall consider the income of the district from sources other than taxation. (Acts 66th Leg., R.S., Ch. 74, Secs. 11(a) (part), (b) (part), 14(b).)

Sec. 1008.303. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code. (Acts 66th Leg., R.S., Ch. 74, Sec. 14(f).)

CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

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CHAPTER 1009. COCHRAN MEMORIAL HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1009.001. 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 Cochran Memorial Hospital District. (New.)

Sec. 1009.002. AUTHORITY FOR CREATION. The Cochran Memorial Hospital District is created under the authority of Section 9, Article IX, Texas Constitution. (Acts 60th Leg., R.S., Ch. 494, Sec. 1 (part).)

Sec. 1009.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

Sec. 1009.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Cochran County, Texas. (Acts 60th Leg., R.S., Ch. 494, Sec. 1 (part).)

Sec. 1009.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district may not become a charge against or obligation of this state. (Acts 60th

Leg., R.S., Ch. 494, Sec. 18 (part).)

Sec. 1009.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility. (Acts 60th Leg., R.S., Ch. 494, Sec. 18 (part).)

[Sections 1009.007-1009.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1009.051. BOARD; ELECTION. (a) The board consists of five elected directors.

(b) One director is elected from each county commissioners precinct and one director is elected from the district at large. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.052. TERM. Directors serve staggered two-year terms unless a four-year term is established under Section 285.081, Health and Safety Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.053. NOTICE OF ELECTION. At least 10 days before the date of an election of directors, notice of the election shall be published one time in a newspaper of general circulation in Cochran County. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.054. BALLOT PETITION. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must file a petition requesting that action.

(b) The petition must be:

(1) signed by at least 10 qualified voters; and

(2) filed at least 25 days before the date of the election. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.055. QUALIFICATIONS FOR OFFICE. To qualify for election to the board, a person must:

(1) be a resident of Cochran County; and

(2) own property in Cochran County subject to taxation. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.056. FILING OF OATH. The constitutional oath of office executed by a director must be filed in the district's office. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.057. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the unexpired term.

(b) If the number of directors is reduced to fewer than three for any reason, the remaining directors shall immediately call a special election to fill the vacancies. If the remaining directors do not call the election, the county judge of Cochran County may fill the vacancies by appointment. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.058. OFFICERS. The board shall elect from among its members a president, vice president, and secretary. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.059. COMPENSATION. A director is entitled to compensation at a rate determined by the board. The rate may not exceed $10 for each board meeting. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.060. VOTING REQUIREMENT. A concurrence of three directors is sufficient in any matter relating to district business. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.061. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. (a) The board shall:

(1) keep an account of all board meetings and proceedings; and

(2) maintain at the district's principal office all district records and accounts, including all contracts, notices, duplicate vouchers, and duplicate receipts.

(b) The information described by Subsection (a) shall be open to public inspection at the district's principal office at all reasonable times. (Acts 60th Leg., R.S., Ch. 494, Sec. 4 (part).)

Sec. 1009.062. DISTRICT ADMINISTRATOR; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as district administrator.

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

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

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

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

(2) contains other conditions the board may require. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

Sec. 1009.063. GENERAL DUTIES OF DISTRICT ADMINISTRATOR. Subject to the limitations prescribed by the board, the district

administrator shall:

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

(2) direct the affairs of the district. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

Sec. 1009.064. EMPLOYEES. The board may employ nurses, technicians, and other lay personnel considered necessary for the efficient operation of the district or may delegate that authority to the district administrator. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

Sec. 1009.065. RETIREMENT PROGRAM. The board may enter into a contract or agreement with this state or the federal government to establish or continue a retirement program for the benefit of the district's employees. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

[Sections 1009.066-1009.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1009.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating all hospital facilities for providing medical and hospital care of indigent patients; and

(2) providing medical and hospital care for the district's needy and indigent residents. (Acts 60th Leg., R.S., Ch. 494, Secs. 2 (part), 17 (part).)

Sec. 1009.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. Cochran County or a municipality in Cochran County may not levy taxes or issue bonds or other obligations for

hospital purposes or medical care. (Acts 60th Leg., R.S., Ch. 494, Sec. 17 (part).)

Sec. 1009.103. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the district and the district's hospitals and hospital system. (Acts 60th Leg., R.S., Ch. 494, Secs. 4 (part), 5 (part).)

Sec. 1009.104. HOSPITAL SYSTEM. The district shall provide for the establishment of a hospital system by:

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

(2) equipping the buildings; and

(3) administering the buildings and equipment for hospital purposes. (Acts 60th Leg., R.S., Ch. 494, Sec. 2 (part).)

Sec. 1009.105. RULES. The board may adopt rules for the operation of the district and as required to administer this chapter. (Acts 60th Leg., R.S., Ch. 494, Secs. 5 (part), 9 (part).)

Sec. 1009.106. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

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

(2) all accounting and control procedures. (Acts 60th Leg., R.S., Ch. 494, Sec. 9 (part).)

Sec. 1009.107. RATES AND CHARGES. The board shall establish the rates and charges for:

(1) services;

(2) supplies; and

(3) the use of district facilities. (Acts 60th Leg.,

R.S., Ch. 494, Sec. 14 (part).)

Sec. 1009.108. HOSPITAL LEASE. The board may lease a district hospital to a qualified doctor or group of doctors. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

Sec. 1009.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property located in district territory if the interest is necessary or convenient for the district to exercise a power, right, or privilege conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 12.)

Sec. 1009.110. GIFTS AND ENDOWMENTS. The board may accept on behalf of the district a gift or endowment to be held in trust and administered by the board for a purpose and under a written direction, limitation, or provision prescribed by the donor that is not inconsistent with the proper management and objectives of the district. (Acts 60th Leg., R.S., Ch. 494, Sec. 15.)

Sec. 1009.111. CONTRACTS FOR SERVICES TO CERTAIN PERSONS. (a) The board may contract with a county or a municipality located outside Cochran County for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom the state or the federal government is responsible. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

Sec. 1009.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When an indigent patient has been admitted to a district facility, the district administrator shall have an inquiry made into the circumstances of:

(1) the patient; and

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

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

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

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

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

(1) resolve the dispute or doubt; and

(2) issue an appropriate order.

(f) A party to the dispute who is not satisfied with the order may appeal to the district court. The appeal shall be by trial de novo as that term is used in an appeal from a justice court to the county court. (Acts 60th Leg., R.S., Ch. 494, Sec. 14 (part).)

Sec. 1009.113. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued. (Acts 60th Leg., R.S., Ch. 494, Sec. 5 (part).)

[Sections 1009.114-1009.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1009.151. BUDGET; NOTICE OF HEARING. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1009.152.

(b) Not later than August 31 of each year, the board shall give notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Cochran County at least 10 days before the date of the hearing. (Acts 60th Leg., R.S., Ch. 494, Secs. 6 (part), 16.)

Sec. 1009.152. FISCAL YEAR. The district operates on a fiscal year that begins on October 1 and ends on September 30. (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

Sec. 1009.153. ANNUAL AUDIT. (a) The district annually shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office. (Acts 60th Leg., Ch. 494, R.S., Sec. 6 (part).)

Sec. 1009.154. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

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

(2) a complete account of the disbursement of that money. (Acts 60th Leg., R.S., Ch. 494, Sec. 6 (part).)

Sec. 1009.155. DEPOSITORY. (a) The board shall select one or more banks in Cochran County to serve as a depository for district money.

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

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository. (Acts 60th Leg., R.S., Ch. 494, Sec. 10.)

[Sections 1009.156-1009.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 1009.201. GENERAL OBLIGATION BONDS. The board may issue and sell general obligation bonds in the name and on the faith and credit of the district to purchase, construct, acquire, repair,

or renovate buildings and improvements and to equip the buildings and improvements for a hospital and the hospital system. (Acts 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

Sec. 1009.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1009.201, the board shall impose an ad valorem tax in an amount sufficient to:

(1) create an interest and sinking fund; and

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

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each $100 assessed value of all taxable property in the district. (Acts 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

Sec. 1009.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

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

(c) The bond election order must specify:

(1) the date of the election;

(2) the amount of bonds to be authorized;

(3) the maximum maturity of the bonds;

(4) the maximum interest rate of the bonds;

(5) the location of the polling places; and

(6) the presiding election officers. (Acts 60th Leg.,

R.S., Ch. 494, Sec. 7 (part).)

Sec. 1009.204. EXECUTION OF GENERAL OBLIGATION BONDS. (a) The board president shall execute the general obligation bonds in the district's name.

(b) The board secretary shall attest the bonds as provided by Chapter 618, Government Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

Sec. 1009.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding general obligation bonds issued or assumed by the district.

(b) A refunding bond may be:

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

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

(c) If a refunding bond is sold, the bond must be issued and the payments must be made in the manner provided by Subchapters B and C, Chapter 1207, Government Code. (Acts 60th Leg., R.S., Ch. 494, Sec. 7 (part).)

Sec. 1009.206. BONDS EXEMPT FROM TAXATION. The following are exempt from taxation by this state or a political subdivision of this state:

(1) bonds issued by the district;

(2) the transfer of the bonds; and

(3) the bond revenues and profits made in the sale of the bonds. (Acts 60th Leg., R.S., Ch. 494, Sec. 8 (part).)

[Sections 1009.207-1009.250 reserved for expansion]

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

Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS

[Sections 3503.010-3503.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3503.051. GENERAL DUTIES

Sec. 3503.052. COMPOSITION

Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS

Sec. 3503.054. VACANCIES

Sec. 3503.055. OFFICERS

Sec. 3503.056. RECALL

Sec. 3503.057. COMPENSATION; REIMBURSEMENT

Sec. 3503.058. COMPENSATION; BOARD POSITION NOT CIVIL OFFICE OF EMOLUMENT

Sec. 3503.059. RULES; PROCEEDINGS

Sec. 3503.060. CONFLICT OF INTEREST; APPLICABILITY OF OTHER LAW

[Sections 3503.061-3503.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3503.101. GENERAL POWERS AND DUTIES

Sec. 3503.102. GENERAL PROPERTY POWERS

Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS; EMINENT DOMAIN

Sec. 3503.104. WASTE DISPOSAL

Sec. 3503.105. OTHER POWERS RELATED TO WATER

Sec. 3503.106. CONTRACTS

Sec. 3503.107. EMPLOYEES

[Sections 3503.108-3503.150 reserved for expansion]

SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

Sec. 3503.151. USE OF REVENUE FROM OTHER GOVERNMENTAL ENTITIES; LIMITATION

Sec. 3503.152. FEES FOR USE OF OTHER GOVERNMENTAL ENTITIES' UTILITIES

Sec. 3503.153. TRANSFER OF ASSETS BY COUNTY

Sec. 3503.154. EXEMPTION FROM TAXATION

[Sections 3503.155-3503.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 3503.201. GENERAL AUTHORITY TO ISSUE BONDS

Sec. 3503.202. REVENUE BONDS

Sec. 3503.203. APPROVAL BY ATTORNEY GENERAL

Sec. 3503.204. BONDS FOR WATER OR SEWER PROJECTS; APPLICABILITY OF WATER CODE

[Sections 3503.205-3503.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3503.251. POWER TO DISSOLVE; LEGISLATIVE INTENT

Sec. 3503.252. ASSETS TO COUNTY

CHAPTER 3503. RED RIVER REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3503.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Red River Redevelopment Authority.

(2) "Board" means the authority's board of directors.

(3) "Property" means land, improvements, and personal property described in Section 3503.004. (Loc. Gov. Code, Secs. 396.061(1), (2), (5).)

Sec. 3503.002. NATURE OF AUTHORITY. (a) The authority is a governmental agency and a political subdivision of this state.

(b) The operations of the authority are considered to be essential governmental functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code. (Loc. Gov. Code, Secs. 396.062(b), (c).)

Sec. 3503.003. PURPOSES OF AUTHORITY. (a) The authority is created to:

(1) accept title on approval by, and in coordination with, the governor to all or a portion of the property on, adjacent to, or related to the property described by Section 3503.004 from the United States;

(2) promote the location and development of new businesses, industries, and commercial activities on or related to the property;

(3) undertake a project the board considers necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new or existing businesses on and for the property described by Section 3503.004, including the acquisition, construction, operation, maintenance, repair, rehabilitation, replacement, improvement, extension, expansion, or enhancement of:

(A) roads, bridges, and rights-of-way;

(B) housing;

(C) property;

(D) police, fire, medical, cultural,

educational, and research services, equipment, institutions, and resources;

(E) other community support services;

(F) flood control, water, wastewater treatment, natural gas, electricity, solid waste disposal, steam generation, communications, and all other utility facilities and services;

(G) other infrastructure improvements; and

(H) any other services or facilities acquired by the authority from the United States; and

(4) exercise the powers granted to a conservation and reclamation district under Section 59, Article XVI, Texas Constitution.

(b) The property described by Subsection (a)(1) consists of any kind of property, whether real, personal, or mixed, and any rights, whether tangible or intangible, assets, benefits, or improvements related to the existence, development, operation, or maintenance of the property, of the authority.

(c) The creation of the authority is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare, and to conserve the natural resources of this state, and is essential to accomplish the purposes of Sections 49-d, 52, and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, in an area previously established and developed by the United States government for military support purposes that will no longer be similarly maintained for those purposes by the federal government. (Loc. Gov. Code, Secs. 396.064, 396.0641.)

Sec. 3503.004. AUTHORITY TERRITORY. (a) The authority is composed of the territory described by Section 8A, Chapter 831, Acts of the 75th Legislature, Regular Session, 1997, as added by Section 5, Chapter 1312, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under this chapter or other law.

(b) The boundaries of the authority are the same as the boundaries of the real property described by Subsection (a). (Loc. Gov. Code, Secs. 396.062(a) (part), 396.0621.)

Sec. 3503.005. EXPANSION OF TERRITORY. The authority's territory may be expanded as additional:

(1) real property is conveyed to the authority by the United States; or

(2) counties or municipalities approve annexations. (Loc. Gov. Code, Secs. 396.062(a) (part), 396.0622.)

Sec. 3503.006. RELATION TO OTHER LAW. This chapter does not limit the power of the authority or other person, including another governmental entity, to use other law not in conflict with this chapter to the extent convenient or necessary to carry out a power, express or implied, granted by this chapter. (Loc. Gov. Code, Sec. 396.077(c).)

Sec. 3503.007. LEGISLATIVE INTENT ON APPLICABILITY OF OTHER LAWS. The legislature intends that the authority shall have all power necessary to fully qualify and gain the benefits of any law that is helpful in carrying out the purposes for which the authority is created. (Loc. Gov. Code, Sec. 396.065(b) (part).)

Sec. 3503.008. APPLICABILITY OF STATE REGULATORY

AUTHORITY. The authority is subject to the regulatory authority of the state, including any state agency, to the same extent as a municipal corporation. (Loc. Gov. Code, Sec. 396.062(f).)

Sec. 3503.009. APPLICABILITY OF OPEN GOVERNMENT LAWS. Chapters 551 and 552, Government Code, apply to the authority. (Loc. Gov. Code, Sec. 396.062(d).)

[Sections 3503.010-3503.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3503.051. GENERAL DUTIES. The board shall manage, control, and operate the authority. (Loc. Gov. Code, Sec. 396.063(a) (part).)

Sec. 3503.052. COMPOSITION. The board is composed of the following 15 directors:

(1) two directors appointed by the county judge of Bowie County;

(2) one director appointed by the commissioners court of Bowie County;

(3) three directors appointed by the mayor of Texarkana;

(4) one director appointed by the mayor of New Boston;

(5) one director appointed by the mayor of Hooks;

(6) one director appointed by the mayor of Nash;

(7) one director appointed by the mayor of Wake Village;

(8) one director appointed by the mayor of Leary;

(9) one director appointed by the mayor of Redwater;

(10) one director appointed by the mayor of Maud;

(11) one director appointed by the mayor of DeKalb; and

(12) one director appointed by the mayor of Red Lick. (Loc. Gov. Code, Secs. 396.063(a) (part), (b).)

Sec. 3503.053. TERM; SERVICE BY ELECTED OFFICIALS. (a) Each director serves for a term of two years.

(b) The board by rule or resolution may:

(1) provide for the appointment of directors of the board in alternating years; and

(2) determine the number of directors and the manner of deciding which directors shall be appointed in odd-numbered years and which directors shall be appointed in even-numbered years.

(c) A director who is also an elected official serves for a term coinciding with the term of the elected office. (Loc. Gov. Code, Secs. 396.063(c) (part), (d), (e).)

Sec. 3503.054. VACANCIES. A vacancy on the board is filled in the same manner as the original appointment. (Loc. Gov. Code, Sec. 396.063(c) (part).)

Sec. 3503.055. OFFICERS. (a) The board shall elect from among its membership a president and a vice president.

(b) The vice president shall preside in the absence of the president. (Loc. Gov. Code, Sec. 396.063(f).)

Sec. 3503.056. RECALL. A director may be recalled at any time by the appointing official. (Loc. Gov. Code, Sec. 396.063(i).)

Sec. 3503.057. COMPENSATION; REIMBURSEMENT. A director is

not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties of a director. (Loc. Gov. Code, Sec. 396.063(j).)

Sec. 3503.058. COMPENSATION; BOARD POSITION NOT CIVIL OFFICE OF EMOLUMENT. (a) A position on the board may not be construed to be a civil office of emolument for any purpose, including a purpose described in Section 40, Article XVI, Texas Constitution.

(b) Elected officials of Bowie County and municipalities may serve on the board without penalty or forfeiture of office. (Loc. Gov. Code, Sec. 396.063(k) (part).)

Sec. 3503.059. RULES; PROCEEDINGS. The board shall adopt rules to govern its proceedings. (Loc. Gov. Code, Sec. 396.063 (g).)

Sec. 3503.060. CONFLICT OF INTEREST; APPLICABILITY OF OTHER LAW. A conflict of interest, under either statutory or common law, for a director regarding a particular matter to come before the board, is governed by Chapter 171, Local Government Code. (Loc. Gov. Code, Sec. 396.063(k) (part).)

[Sections 3503.061-3503.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3503.101. GENERAL POWERS AND DUTIES. (a) This chapter provides sufficient authority to issue bonds, execute contracts, and perform any other act or procedure authorized in this chapter for the authority and all other persons of this state, including another governmental entity of this state and including an action

regarding another governmental entity and the United States, without reference to other law or a restriction or limitation contained in other law, except as provided by this chapter.

(b) The authority may exercise any power or duty necessary or appropriate to carry out a project described by Section 3503.003(a)(3) and the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt, enforce, and amend rules for the conduct of its affairs;

(4) acquire, hold, own, pledge, and dispose of its revenue, income, receipts, and money from any source;

(5) select its depository;

(6) acquire, own, rent, lease, accept, hold, or dispose of any property, or any interest in property, including rights or easements, in performing its duties and exercising its powers under this chapter, by purchase, exchange, gift, assignment, sale, lease, or other method;

(7) hold, manage, operate, or improve the property;

(8) sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or any interest in property, and relinquish a property right, title, claim, lien, interest, easement, or demand, however acquired;

(9) perform an activity authorized by Subdivision (8) by public or private sale, with or without public bidding,

notwithstanding any other law;

(10) lease or rent any land and building, structure, or facility from or to any person to carry out a chapter purpose;

(11) request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, labor, material, or gift, from the federal government, the state, a public agency or political subdivision, or any other source;

(12) operate and maintain an office and appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, professional advisors and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as considered necessary or advisable by the board;

(13) borrow money and issue bonds, payable solely from all or a portion of any authority revenue, by resolution or order of the board and without the necessity of an election;

(14) set and collect rents, rates, fees, and charges regarding the property and any services provided by the authority;

(15) exercise the powers Chapters 373 and 380, Local Government Code, grant to a municipality for the development of housing and expansion of economic development and commercial activity;

(16) exercise the powers Chapter 49, Water Code, grants to a general-law district;

(17) exercise the powers Chapter 54, Water Code, grants to a municipal utility district;

(18) exercise the powers Chapter 441, Transportation

Code, grants to a road utility district;

(19) exercise the powers Subchapter C, Chapter 271, Local Government Code, grants to a municipality or county;

(20) exercise the powers Chapter 402, Local Government Code, grants to a municipality for the provision of municipal utilities;

(21) contract and be contracted with, in the authority's own name, another person in the performance of the authority's powers or duties to carry out a project described by Section 3503.003(a)(3), or to accomplish the purposes of this chapter for a period of years, on the terms, and by competitive bidding or by negotiated contract, all as the board considers appropriate, desirable, and in the best interests of the authority and the accomplishment of chapter purposes; and

(22) acquire, hold, own, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real, personal, or mixed property located outside the perimeter of the property described by Section 3503.004 if the other property enhances or facilitates the development, redevelopment, maintenance, or expansion of new and existing businesses, industry, or commercial activity on the property. (Loc. Gov. Code, Secs. 396.065(a), 396.077(a).)

Sec. 3503.102. GENERAL PROPERTY POWERS. The authority may acquire, purchase, construct, own, operate, maintain, repair, improve, or extend, lease, or sell on terms, including rentals or sale prices, on which the parties agree, any work, improvement, facility, plant, building, structure, equipment, or appliance and

any property or any interest in related property that is incident to or necessary to carry out or perform an authority power. (Loc. Gov. Code, Sec. 396.069.)

Sec. 3503.103. WATER, SEWER, AND NATURAL GAS PROJECTS; EMINENT DOMAIN. (a) The authority may undertake a project under Section 3503.003(a)(3) to develop water, sewer, and natural gas projects to benefit the authority.

(b) The authority may exercise the power of eminent domain for a project under this section. (Loc. Gov. Code, Sec. 396.070.)

Sec. 3503.104. WASTE DISPOSAL. (a) The authority may provide for the collection, transmission, treatment, disposal, and control of municipal, domestic, industrial, and commercial waste water and sewage.

(b) The authority may exercise the powers granted to a district under Chapter 30, Water Code. (Loc. Gov. Code, Secs. 396.071, 396.072.)

Sec. 3503.105. OTHER POWERS RELATED TO WATER. The authority may provide for the construction, storage, transmission, treatment, supply, and distribution of water for any useful purpose, including for a municipal, domestic, industrial, or commercial purpose. (Loc. Gov. Code, Sec. 396.073.)

Sec. 3503.106. CONTRACTS. The authority and any person may contract with each other in any manner and on terms on which the parties agree regarding a power the authority may exercise or a facility or service that the authority may provide or finance. (Loc. Gov. Code, Sec. 396.074.)

Sec. 3503.107. EMPLOYEES. The board may employ persons to

carry out the powers and duties of the authority. (Loc. Gov. Code, Sec. 396.063(h).)

[Sections 3503.108-3503.150 reserved for expansion]

SUBCHAPTER D. ADDITIONAL FINANCIAL PROVISIONS

Sec. 3503.151. USE OF REVENUE FROM OTHER GOVERNMENTAL ENTITIES; LIMITATION. (a) Any governmental entity of this state may:

(1) use and pledge available revenue for the payment of an amount due under a contract entered into with the authority as an additional source of payment of the contracts or as the sole source of payment of the contracts; and

(2) covenant with respect to available revenue to assure the availability of the revenue when required.

(b) The governmental entity may not use, pledge, or covenant under this section revenue from ad valorem taxes, or the proceeds of bonds paid wholly or partly from ad valorem taxes, unless the use, pledge, or covenant has been approved by the voters of the governmental entity at an election called for the purpose of:

(1) imposing taxes or issuing or refunding bonds; or

(2) using or pledging the entity's revenue or proceeds under contracts with the authority under this chapter. (Loc. Gov. Code, Secs. 396.075(a), (b).)

Sec. 3503.152. FEES FOR USE OF OTHER GOVERNMENTAL ENTITIES' UTILITIES. (a) A governmental entity may charge a fee to any person for using a service or facility provided by a utility operated by the governmental entity and provided under a contract with the authority, including a fee for:

(1) water charges;

(2) sewage charges;

(3) solid waste disposal system fees and charges, including garbage collection or handling fees; and

(4) other fees or charges.

(b) The governmental entity may use and pledge a sufficient amount of the money collected under Subsection (a) to make a payment to the authority as required under a contract with the authority and may covenant to do so in an amount sufficient to make a payment to the authority when due.

(c) A payment, if the parties agree in the contract, is an expense of operation of the facilities or utility operated by the governmental entity. (Loc. Gov. Code, Secs. 396.075(c), (d).)

Sec. 3503.153. TRANSFER OF ASSETS BY COUNTY. (a) Bowie County may transfer to the authority by deed, bill of sale, or other method, all assets, including personal and real property, accumulated or acquired from, or with money provided by, the United States Department of the Army or this state for the development, redevelopment, maintenance, or expansion of the property, along with any unexpended money made available for those purposes by the United States Department of the Army or this state.

(b) The transfer of assets shall be made without the requirement of public notice or bidding.

(c) Except as otherwise provided by law, this section does not authorize the transfer of public money of Bowie County other than the money described by this section. (Loc. Gov. Code, Sec. 396.068(b).)

Sec. 3503.154. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority are exempt from all taxes imposed by the state or a political subdivision of the state. (Loc. Gov. Code, Sec. 396.066.)

[Sections 3503.155-3503.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 3503.201. GENERAL AUTHORITY TO ISSUE BONDS. To exercise a power granted under this chapter, the authority may issue bonds to acquire, purchase, construct, maintain, repair, improve, or extend works, improvements, facilities, plants, buildings, structures, appliances, and property. (Loc. Gov. Code, Sec. 396.076(a).)

Sec. 3503.202. REVENUE BONDS. (a) The authority may issue revenue bonds, including revenue bonds to pay for feasibility studies for proposed authority projects, including projects regarding engineering, planning and design, and environmental studies.

(b) The authority may include in a revenue bond issue the money to operate and maintain facilities acquired or constructed through the revenue bond issue for a period not to exceed two years after the date of the facility's completion. (Loc. Gov. Code, Secs. 396.062(e) (part), 396.076(b).)

Sec. 3503.203. APPROVAL BY ATTORNEY GENERAL. If bonds issued by the authority recite that they are secured by a pledge of payments under a contract, a copy of the contract and the proceedings relating to the contract may be submitted to the attorney general along with the bonds. If the attorney general

finds that the bonds have been authorized and the contract was entered into in accordance with law, the attorney general shall approve the bonds and the contract. (Loc. Gov. Code, Sec. 396.076(c).)

Sec. 3503.204. BONDS FOR WATER OR SEWER PROJECTS; APPLICABILITY OF WATER CODE. Bonds issued under this chapter for a water or sewer project shall be issued in accordance with Sections 54.502 and 54.503, Water Code. (Loc. Gov. Code, Secs. 396.062(e) (part), 396.076(d).)

[Sections 3503.205-3503.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3503.251. POWER TO DISSOLVE; LEGISLATIVE INTENT. (a) The legislature intends that the authority be dissolved, with the approval of the governing bodies of the municipalities of DeKalb, Hooks, Leary, Maud, Nash, New Boston, Red Lick, Redwater, Texarkana, and Wake Village and the governing body of Bowie County, after conveyance and sale of all of the property.

(b) The authority may be dissolved by the board on approval of each governing body listed in Subsection (a) after all debts or obligations have been satisfied or retired. (Loc. Gov. Code, Secs. 396.061(4), 396.067(a).)

Sec. 3503.252. ASSETS TO COUNTY. On dissolution, any remaining assets of the authority shall be conveyed or transferred to Bowie County. (Loc. Gov. Code, Sec. 396.067(b).)

SECTION 1.03. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapters 3818-3832 to read as follows:

CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3818.001. DEFINITIONS

Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

Sec. 3818.003. PURPOSE; DECLARATION OF INTENT

Sec. 3818.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3818.005. DISTRICT TERRITORY

Sec. 3818.006. APPLICABILITY OF OTHER LAW

Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3818.008-3818.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3818.051. COMPOSITION; TERMS

Sec. 3818.052. QUALIFICATIONS FOR OFFICE

Sec. 3818.053. QUORUM; CONCURRENCE OF DIRECTORS

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SUBCHAPTER F. DISSOLUTION

Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION

CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3818.001. 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 Harris County Improvement District No. 1. (Acts 70th Leg., R.S., Ch. 1026, Sec. 2; New.)

Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1. A special district known as the "Harris County Improvement District No. 1" is a political subdivision of this state. (Acts 70th Leg., R.S., Ch. 1026, Sec. 1(A) (part).)

Sec. 3818.003. PURPOSE; DECLARATION OF INTENT. The creation of the district is essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes as provided by this chapter. (Acts 70th Leg., R.S., Ch. 1026, Sec. 1(B).)

Sec. 3818.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. Each improvement project or service authorized by this chapter carries

out a public purpose.

(b) All land and other property included in the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, Vernon's Texas Civil Statutes, and other powers granted under this chapter.

(c) The creation of the district is essential to:

(1) the economic diversification of the state;

(2) the elimination of unemployment and underemployment; and

(3) the stimulation of transportation and commerce.

(d) The creation of the district is in the public interest and will promote the health, safety, and general welfare of its residents and the public.

(e) The present and prospective traffic congestion in the district, the safety of pedestrians, and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems by new and alternative means. The district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(f) The district will promote the health, safety, welfare, morals, convenience, and enjoyment of the public by landscaping and developing certain areas in the district that are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 70th Leg., R.S., Ch. 1026, Secs. 5(A), (B), 7(A) (part).)

Sec. 3818.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, as that territory may have been modified under:

(1) Section 3818.106, or its predecessor, Section 13, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;

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

(3) other law.

(b) The boundaries and field notes of the district contained in Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

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

(3) the right of the district to impose an assessment or a tax; or

(4) the legality or operation of the district or the board. (Acts 70th Leg., R.S., Ch. 1026, Sec. 4; New.)

Sec. 3818.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided, Chapter 375, Local Government Code, applies to the district. (Acts 70th Leg., R.S., Ch. 1026, Sec. 6(C).)

Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformance with the legislative findings and purposes stated in this chapter. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5(C).)

[Sections 3818.008-3818.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3818.051. COMPOSITION; TERMS. (a) The district is governed by a board of 12 directors.

(b) The commission appoints the directors to positions numbered 1 through 12.

(c) Directors serve staggered four-year terms.

(d) The commission shall attempt to appoint directors to represent all geographical areas and business interests in the district and shall solicit input from the existing board concerning persons who would be eligible to represent the various interests in the district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(A), (C) (part), (G) (part).)

Sec. 3818.052. QUALIFICATIONS FOR OFFICE. (a) Except as provided by Subsection (b), a director must meet the requirements provided by Section 375.063, Local Government Code.

(b) A tenant of a person who qualifies under Sections 375.063(2)-(4), Local Government Code, is not qualified to serve as a director under this chapter, except that the tenant is qualified to serve as a director in position 8 or 12 if the tenant:

(1) leases property in the district for an initial term of 10 years or more; or

(2) is an employee, stockholder, or owner of a beneficial interest in an entity having a lease that qualifies under Subdivision (1).

(c) A person who owns a partnership interest, whether general or limited, or who has a lease with a remaining term of 30 years or more, excluding options, is considered to be an owner of land for purposes of this chapter.

(d) A person who qualifies to serve on the board under Subsection (a) or (b) is qualified to serve as a director and participate in all votes pertaining to the business of the district. (Acts 70th Leg., R.S., Ch. 1026, Secs. 8(D), (E), (F), (K).)

Sec. 3818.053. QUORUM; CONCURRENCE OF DIRECTORS. (a) Seven directors constitute a quorum of the board for district purposes.

(b) Except as provided by Subsection (c), the concurrence of six directors is required for any official action of the district.

(c) The concurrence of eight directors is required to:

(1) authorize the issuance of bonds; or

(2) impose an assessment or tax. (Acts 70th Leg., R.S., Ch. 1026, Sec. 8(J).)

Sec. 3818.054. VACANCY. The commission by appointment shall fill a vacancy on the board. (Acts 70th Leg., R.S., Ch. 1026, Sec. 8(G) (part).)

Sec. 3818.055. REMOVAL OF DIRECTOR. The commission may

remove a director for misconduct or failure to carry out the director's duties after a petition by a majority of the other directors. (Acts 70th Leg., R.S., Ch. 1026, Sec. 8(G) (part).)

[Sections 3818.056-3818.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3818.101. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7B.)

Sec. 3818.102. AGREEMENTS; GRANTS. (a) The district may make a contract, lease, or other agreement with, or accept a grant or loan from, any person to carry out a purpose of this chapter on the terms and conditions and for the period of time determined by the board.

(b) A person may contract with the district to carry out the

purposes of this chapter. (Acts 70th Leg., R.S., Ch. 1026, Secs. 5A(D), 14.)

Sec. 3818.103. USE OF CONDUITS. (a) The district may:

(1) finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of its own conduits for fiber-optic cable, electronic transmission lines, or other types of transmission lines and supporting facilities; or

(2) finance, acquire, construct, improve, operate, or maintain conference centers and supporting facilities.

(b) This section does not authorize the district to require a person to use a conduit authorized by this section. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7C.)

Sec. 3818.104. REGULATION OF SIGNS. The board by rule may regulate signs in the district. The board may require the removal of a sign that does not conform to a rule adopted under this section. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(Y).)

Sec. 3818.105. EXCLUSION OF TERRITORY; HEARING. (a) At any time, the board may on its own motion call a hearing on the question of the exclusion of land from the district as provided by Chapter 49, Water Code, if the exclusion is practicable, just, or desirable.

(b) The board shall call a hearing on the exclusion of land or other property from the district if, before the issuance of bonds has been authorized, a property owner in the district files a written petition with the secretary of the board. (Acts 70th Leg., R.S., Ch. 1026, Sec. 10.)

Sec. 3818.106. ANNEXATION. (a) Subject to the approval of

the governing body of the City of Houston the district may:

(1) annex territory in accordance with Subchapter J, Chapter 49, Water Code; or

(2) annex territory located inside the boundaries of a reinvestment zone created under Chapter 311, Tax Code, as those boundaries existed on September 1, 2001.

(b) The district may annex territory described by Subsection (a)(2) only if:

(1) the district holds a public hearing on the proposed annexation and publishes notice in the district not later than the 15th day before the date of the hearing; and

(2) a majority of the qualified voters of the territory that the district proposes to annex voting at an election held within that territory approve:

(A) the annexation;

(B) the assumption of the bonds, notes, obligations, taxes, and special assessments created before the annexation of the area to the district; and

(C) the assumption of the bonds of the district payable wholly or partly from taxes or special assessments that have been voted previously but not yet issued or sold and the imposition of an ad valorem tax or special assessment on all taxable property within the annexed area for the payment of the bonds.

(c) If the voters approve each proposition under Subsection (b)(2), the board may adopt an order adding the annexed territory to the district.

(d) An election under Subsection (b) must be held and notice

must be given in the territory that the district proposes to annex in the same manner as provided for a bond election held by the district. The district may hold an election to annex territory on the same day as another district election.

(e) The board may:

(1) call an election to annex territory by a separate election order or as a part of another election order;

(2) submit multiple purposes in a single proposition at an election; or

(3) order multiple elections to annex the same territory.

(f) The district may annex defined areas of land, regardless of whether the areas are contiguous to the district.

(g) An annexed area shall bear that area's pro rata share of all bonds, notes, or other obligations, taxes, or special assessments that may be owed, contracted for, or authorized by the district.

(h) The election, notice, and hearing requirements imposed by Subsections (b)-(g) do not apply to an annexation under Subsection (a)(1). (Acts 70th Leg., R.S., Ch. 1026, Sec. 13.)

Sec. 3818.107. DATE OF ELECTIONS. An election held in the district is not required to be held on a uniform election date provided by Section 41.001, Election Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 11(C).)

Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain approval from the governing body of the City of Houston and the department of planning of the City of

Houston of the plans and specifications of any improvement project that involves the use of a right-of-way of a street, road, or highway or the use of municipal land. (Acts 70th Leg., R.S., Ch. 1026, Sec. 9 (part).)

[Sections 3818.109-3818.150 reserved for expansion]

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) The district may acquire, construct, or develop a mass transit improvement or facility under Subsection (a) only if a petition is filed with the district that requests the improvement or facility. The petition must be executed by owners of property representing a majority in value or a majority in square footage of the real property in the district that abuts the right-of-way in which the improvement or facility is proposed to be located. The determination of a majority is based on the property owners along the entire right-of-way of the proposed transit project and may not be computed on a block-by-block basis. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(A).)

Sec. 3818.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the

streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district must be leased to or operated for the district by an entity other than the district.

(c) The district's parking facilities serve a public purpose under Section 3818.003 and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(d) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(B).)

Sec. 3818.153. RULES FOR TRANSIT OR PARKING SYSTEM. (a) The district may adopt rules covering its public transit system and its public parking system.

(b) Rules adopted under this section that relate to or affect the use of the public right-of-way or a requirement for off-street parking are subject to all applicable municipal charter, code, and ordinance requirements. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(C) (part).)

Sec. 3818.154. PAYING COST OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or a system of public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the public transit system or the public parking facilities; and

(2) issue bonds or notes to finance the cost of these facilities.

(c) If the district pays for or finances the cost of acquiring and operating a public transit system or a system of public parking facilities with resources other than assessments, a petition of property owners or public hearing is not required, just as a petition of property owners and public hearing on the petition are not required for the provision of all other district services and improvements that are not paid for or financed with assessments. Notwithstanding this subsection, a petition is required as provided by Section 3818.151 before the district may construct transit improvements. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(C) (part).)

Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER TAXING UNITS. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in removing from a taxing unit's tax rolls real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment instead of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the

property. (Acts 70th Leg., R.S., Ch. 1026, Sec. 5A(E).)

[Sections 3818.156-3818.200 reserved for expansion]

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3818.201. NOTICE AND HEARING REQUIRED. The board may finance a service or improvement project under this chapter after:

(1) notice of a hearing has been given as required by Section 3818.202; and

(2) the board holds a public hearing on the advisability of the service or improvement and the proposed assessments. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D) (part).)

Sec. 3818.202. NOTICE OF HEARING. (a) Except as provided by this section, notice of a hearing on financing improvement projects or services shall be given as provided by Section 375.115, Local Government Code.

(b) The final publication must be made:

(1) not later than the 15th day before the date of the hearing; and

(2) in a newspaper of general circulation in each county in which the district is located.

(c) Written notice required by Section 375.115(c), Local Government Code, must be made not later than the 15th day before the date of the hearing. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E) (part).)

Sec. 3818.203. HEARING PROCEDURE. (a) The board may appoint a director, a district employee, or any other person as hearings examiner to conduct hearings required by the board.

(b) A hearing under this subchapter shall be conducted in

the manner provided for contested cases under Chapter 2001, Government Code. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E) (part).)

Sec. 3818.204. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENT PROJECTS. (a) The board may not finance a service or improvement project under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of 50 percent of the assessed value of the property in the district based on the most recent certified county tax appraisal roll; or

(2) the owners of 50 percent or more of the surface area of the district, excluding roads, streets, highways, and utility rights-of-way, based on the most recent certified county tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(D) (part).)

Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. (a) The district may impose an ad valorem tax, assessment, or impact fee in accordance with Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter if a written petition requesting that improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of 50 percent or more of the assessed

value of the property in the district as determined from the most recent certified county tax appraisal roll; or

(2) 25 owners of property in the district, if more than 25 persons own property in the district as determined by the most recent certified county tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7A(A).)

Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property, including the equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable system as defined by Section 602, Communications Act of 1934 (47 U.S.C. Section 522), as amended. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7A(B).)

Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the director of public works of the City of Houston for the issuance of bonds for any improvement project.

(b) If the district obtains approval from the governing body of the City of Houston of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without

further approval from the City of Houston. (Acts 70th Leg., R.S., Ch. 1026, Sec. 9 (part).)

Sec. 3818.208. PETITION REQUIRED FOR BOND ELECTION. The board may not call a bond election unless a written petition has been filed with the board that requests an election and is signed by the owners of:

(1) 50 percent or more of the assessed value of the property in the district based on the most recent certified county tax appraisal roll; or

(2) 50 percent or more of the surface area of the district, excluding roads, streets, highways, and utility rights-of-way, based on the most recent certified county tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 11(D).)

Sec. 3818.209. ASSESSMENTS AND BOND LIMIT. The board may not issue bonds or impose assessments that exceed 10 percent of the assessed value of the property in the district based on the most recent certified county tax appraisal roll. (Acts 70th Leg., R.S., Ch. 1026, Sec. 12(B).)

Sec. 3818.210. APPEAL OF ASSESSMENT. A property owner may appeal the board's decision on an assessment to a district court that has jurisdiction in the district by filing notice of the appeal with the court not later than the 30th day after the date of the board's final decision. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(E) (part).)

Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS. Payment of assessments by exempt jurisdictions, if any, shall be established by contract. (Acts 70th Leg., R.S., Ch. 1026, Sec. 7(G).)

[Sections 3818.212-3818.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3818.251. APPLICABILITY OF OTHER LAW; EXCEPTION. Subchapter M, Chapter 375, Local Government Code, applies to the district except that in determining the percentage of surface area under Section 375.262(2), Local Government Code, other public areas and other property exempt from assessment under Sections 375.161, 375.163, and 375.164 are not excluded. (Acts 70th Leg., R.S., Ch. 1026, Sec. 15(B) (part).)

CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3819.001. DEFINITIONS

Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT

Sec. 3819.003. PURPOSE; DECLARATION OF INTENT

Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3819.005. DISTRICT TERRITORY

Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES

Sec. 3819.007. APPLICABILITY OF OTHER LAW

Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3819.009-3819.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3819.051. COMPOSITION; TERMS

Sec. 3819.052. APPOINTMENT OF DIRECTORS

Sec. 3819.053. NONVOTING DIRECTORS

Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT

Sec. 3819.055. INITIAL DIRECTORS

[Sections 3819.056-3819.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT

Sec. 3819.102. NONPROFIT CORPORATION

Sec. 3819.103. AGREEMENTS; GRANTS

Sec. 3819.104. LAW ENFORCEMENT SERVICES

Sec. 3819.105. COMPETITIVE BIDDING

Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS

Sec. 3819.108. MUNICIPAL APPROVAL

[Sections 3819.109-3819.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3819.152. TAX AND BOND ELECTIONS

Sec. 3819.153. MAINTENANCE AND OPERATION TAX

Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3819.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3819.157. BONDS AND OTHER OBLIGATIONS

Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS

[Sections 3819.160-3819.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3819. BAYBROOK MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3819.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Baybrook Management District. (Acts 78th Leg., R.S., Ch. 784, Sec. 2.)

Sec. 3819.002. BAYBROOK MANAGEMENT DISTRICT. The Baybrook Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 784, Sec. 1(a).)

Sec. 3819.003. 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 chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public

welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 3.)

Sec. 3819.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 784, Sec. 6.)

Sec. 3819.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 784, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 784, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

interest on a bond;

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 784, Sec. 5; New.)

Sec. 3819.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Houston under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 31.)

Sec. 3819.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 7(a).)

Sec. 3819.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 784, Sec. 8.)

[Sections 3819.009-3819.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3819.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five voting directors appointed under Section 3819.052 and five

nonvoting directors as provided by Section 3819.053.

(b) Voting directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 784, Sec. 9.)

Sec. 3819.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the directors and the mayor vote to appoint that person. (Acts 78th Leg., R.S., Ch. 784, Sec. 10.)

Sec. 3819.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;

(B) planning and development;

(C) public works; and

(D) civic center; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another

department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 784, Sec. 11.)

Sec. 3819.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a

substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 12.)

Sec. 3819.055. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Stephen Pohl
2	C. Glen Crocker
3	Gene Satern
4	Willard Tredway
5	Connie Simmons

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2005, and the terms of directors appointed for positions 4 and 5 expire June 1, 2007.

(c) Section 3819.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 784, Sec. 28.)

[Sections 3819.056-3819.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3819.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code. (Acts 78th Leg., R.S., Ch. 784, Secs. 13, 32 (part).)

Sec. 3819.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 16.)

Sec. 3819.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 784, Sec. 14.)

Sec. 3819.104. LAW ENFORCEMENT SERVICES. To protect the

public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 784, Sec. 15.)

Sec. 3819.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000. (Acts 78th Leg., R.S., Ch. 784, Sec. 26.)

Sec. 3819.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

(b) An expenditure of public money for membership in the organization is considered to further a district purpose and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 784, Sec. 30.)

Sec. 3819.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services. (Acts 78th Leg., R.S., Ch. 784, Sec. 32 (part).)

Sec. 3819.108. MUNICIPAL APPROVAL. (a) Except as provided by Subsection (b), the district must obtain approval from the governing body of the City of Houston for:

(1) the issuance of bonds for an improvement project;

(2) the plans and specifications of an improvement project financed by the bonds; and

(3) the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the governing body of the City of Houston for a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Acts 78th Leg., R.S., Ch. 784, Sec. 23.)

[Sections 3819.109-3819.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3819.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 784, Sec. 25.)

Sec. 3819.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 18.)

Sec. 3819.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3819.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 784, Sec. 19.)

Sec. 3819.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against

the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg., R.S., Ch. 784, Sec. 20.)

Sec. 3819.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County. (Acts 78th Leg., R.S., Ch. 784, Sec. 17.)

Sec. 3819.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment,

rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 784, Sec. 21 (part).)

Sec. 3819.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 784, Sec. 22.)

Sec. 3819.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 24.)

Sec. 3819.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the

district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 29.)

[Sections 3819.160-3819.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3819.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 784, Sec. 27.)

CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3820.001. DEFINITIONS

Sec. 3820.002. BUFFALO BAYOU MANAGEMENT DISTRICT

Sec. 3820.003. PURPOSE; DECLARATION OF INTENT

Sec. 3820.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

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Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES

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[Sections 3820.009-3820.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3820.051. COMPOSITION; TERMS

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2 Sec. 3820.053. NONVOTING DIRECTORS
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27 DISTRICT OBLIGATIONS

Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS

[Sections 3820.160-3820.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3820. BUFFALO BAYOU MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3820.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Buffalo Bayou Management District. (Acts 78th Leg., R.S., Ch. 997, Sec. 2.)

Sec. 3820.002. BUFFALO BAYOU MANAGEMENT DISTRICT. The Buffalo Bayou Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 997, Sec. 1(a).)

Sec. 3820.003. 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 chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce,

transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 3.)

Sec. 3820.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and

enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 997, Sec. 6.)

Sec. 3820.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 997, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 997, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 997, Sec. 5; New.)

Sec. 3820.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Houston under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 29.)

Sec. 3820.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 7(a).)

Sec. 3820.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 997, Sec. 8.)

[Sections 3820.009-3820.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3820.051. COMPOSITION; TERMS. (a) Except as provided

by Subsection (c), the district is governed by a board of 31 voting directors appointed under Section 3820.052 and nonvoting directors as provided by Section 3820.053.

(b) Voting directors serve staggered terms of four years, with 15 or 16 directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than five directors. (Acts 78th Leg., R.S., Ch. 997, Sec. 9.)

Sec. 3820.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person. (Acts 78th Leg., R.S., Ch. 997, Sec. 10.)

Sec. 3820.053. NONVOTING DIRECTORS. (a) The following persons shall serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;

(B) planning and development;

(C) public works; and

(D) civic center; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting

director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 997, Sec. 11.)

Sec. 3820.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a voting director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for voting directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter

regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 12.)

Sec. 3820.055. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Kay Crooker
2	Mike Garver
3	Jackie Martin
4	Mark Lee
5	John Chase, Jr.
6	Adrian Collins
7	Max Schuette
8	June Deadrick
9	Don Cutrer
10	Raju Adwaney
11	Mike Mark
12	Sia Ravari
13	Cherry Walker
14	John Hansen
15	John Dao
16	William Taylor
17	Karen Domino
18	Kevin Hoffman

19	Jeff Andrews
20	William Paul Thomas
21	Theola Petteway
22	Keith Wade
23	Chryisse Wilson
24	Sadie Rucker
25	Julie McClure
26	Angie Gomez
27	Tom Fricke
28	James Robert McDermaid
29	Kathy Hubbard
30	Marsha Johnson
31	Craig Jackson

(b) Of the initial directors, the terms of directors appointed for positions 1 through 15 expire June 1, 2005, and the terms of directors appointed for positions 16 through 31 expire June 1, 2007.

(c) Section 3820.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 997, Sec. 31.)

[Sections 3820.056-3820.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3820.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct,

lease, improve, and maintain projects described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code. (Acts 78th Leg., R.S., Ch. 997, Secs. 13, 30 (part).)

Sec. 3820.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 16.)

Sec. 3820.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 997, Sec. 14.)

Sec. 3820.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 997, Sec. 15.)

Sec. 3820.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000. (Acts 78th Leg., R.S., Ch. 997, Sec. 25.)

Sec. 3820.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose. (Acts 78th Leg., R.S., Ch. 997, Sec. 28.)

Sec. 3820.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services. (Acts 78th Leg., R.S., Ch. 997, Sec. 30 (part).)

[Sections 3820.108-3820.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3820.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors'

signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 997, Sec. 24.)

Sec. 3820.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not submit multiple purposes in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 18.)

Sec. 3820.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3820.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 997, Sec. 19.)

Sec. 3820.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or

reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg., R.S., Ch. 997, Sec. 20.)

Sec. 3820.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal

roll for Harris County. (Acts 78th Leg., R.S., Ch. 997, Sec. 17.)

Sec. 3820.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended. (Acts 78th Leg., R.S., Ch. 997, Sec. 21.)

Sec. 3820.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 997, Sec. 22.)

Sec. 3820.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S.,

Ch. 997, Sec. 23.)

Sec. 3820.159. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 27.)

[Sections 3820.160-3820.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3820.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 997, Sec. 26.)

CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3821.001. DEFINITIONS

Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

Sec. 3821.003. PURPOSE; DECLARATION OF INTENT

Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

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[Sections 3821.009-3821.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3821.051. COMPOSITION; TERMS

Sec. 3821.052. APPOINTMENT OF DIRECTORS

Sec. 3821.053. NONVOTING DIRECTORS

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Sec. 3821.055. INITIAL DIRECTORS

[Sections 3821.056-3821.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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Sec. 3821.103. AGREEMENTS; GRANTS

Sec. 3821.104. LAW ENFORCEMENT SERVICES

Sec. 3821.105. COMPETITIVE BIDDING

Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS

Sec. 3821.108. ANNEXATION

[Sections 3821.109-3821.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3821.152. TAX AND BOND ELECTIONS

Sec. 3821.153. MAINTENANCE AND OPERATION TAX

Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3821.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3821.157. BONDS AND OTHER OBLIGATIONS

Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS

[Sections 3821.160-3821.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3821. DOWNTOWN MIDLAND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3821.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Downtown Midland Management District. (Acts 78th Leg., R.S., Ch. 1160, Sec. 2.)

Sec. 3821.002. DOWNTOWN MIDLAND MANAGEMENT DISTRICT. The Downtown Midland Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1160, Sec. 1(a).)

Sec. 3821.003. 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 chapter. By creating the district and in authorizing the City of Midland, Midland County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a,

Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Midland County or the City of Midland from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 3.)

Sec. 3821.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of

residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1160, Sec. 6.)

Sec. 3821.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Section 3821.108 or its predecessor statute, former Section 27, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003;

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

(3) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1160, Sec. 5; New.)

Sec. 3821.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Midland under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Midland under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Midland under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 30.)

Sec. 3821.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 7(a).)

Sec. 3821.008. LIBERAL CONSTRUCTION OF CHAPTER. This

chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 1160, Sec. 8.)

[Sections 3821.009-3821.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3821.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of nine voting directors appointed under Section 3821.052 and nonvoting directors as provided by Section 3821.053.

(b) Voting directors serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 7 or more than 13 directors. (Acts 78th Leg., R.S., Ch. 1160, Sec. 9.)

Sec. 3821.052. APPOINTMENT OF DIRECTORS. The board shall nominate a slate of persons to serve on the succeeding board as voting directors. The members of the governing body of the City of Midland shall appoint as voting directors the slate of persons nominated by the board. (Acts 78th Leg., R.S., Ch. 1160, Sec. 10.)

Sec. 3821.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Midland or a person designated by that director:

(A) parks and recreation;

(B) planning and zoning; and

(C) public works; and

(2) the city manager of the City of Midland or a person designated by the city manager.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 1160, Sec. 11.)

Sec. 3821.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or

vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 12.)

Sec. 3821.055. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	W. L. "Scooter" Brown
2	Wes Perry
3	Ted Jones
4	Jon Morgan
5	Gerald Borron
6	Dub House
7	Lois Trombley
8	Mike Black
9	Christi Newton

(b) Of the initial directors, the terms of directors appointed for positions 1 through 5 expire June 1, 2007, and the

terms of directors appointed for positions 6 through 9 expire June 1, 2005.

(c) Section 3821.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 1160, Sec. 32.)

[Sections 3821.056-3821.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3821.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that section; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 13.)

Sec. 3821.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service

authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 16.)

Sec. 3821.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 14.)

Sec. 3821.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Midland County or the City of Midland to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1160, Sec. 15.)

Sec. 3821.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $50,000. (Acts 78th Leg., R.S., Ch. 1160, Sec. 25.)

Sec. 3821.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose. (Acts 78th Leg., R.S., Ch. 1160, Sec. 29.)

Sec. 3821.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code. (Acts 78th Leg., R.S., Ch. 1160, Sec. 31.)

Sec. 3821.108. ANNEXATION. The district may annex territory located inside the boundaries of a reinvestment zone created by the City of Midland under Chapter 311, Tax Code, if the governing body of the City of Midland consents to the annexation. (Acts 78th Leg., R.S., Ch. 1160, Sec. 27 (part).)

[Sections 3821.109-3821.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3821.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1160, Sec. 24.)

Sec. 3821.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 18.)

Sec. 3821.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3821.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 1160, Sec. 19.)

Sec. 3821.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) The board may not impose an assessment on a parcel of real property that at the time of the assessment is appraised at less than $200,000, according to the most recent certified tax appraisal roll for Midland County, without the written consent of the owner of the parcel.

(c) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property

assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(d) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(e) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg., R.S., Ch. 1160, Sec. 20.)

Sec. 3821.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that improvement or service has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Midland County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district

according to the most recent certified tax appraisal roll for Midland County. (Acts 78th Leg., R.S., Ch. 1160, Sec. 17.)

Sec. 3821.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code;

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended; or

(5) a person who provides to the public advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 1160, Sec. 21.)

Sec. 3821.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1160, Sec.

22.)

Sec. 3821.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Midland is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 23.)

Sec. 3821.159. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 28.)

[Sections 3821.160-3821.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3821.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1160, Sec. 26.)

CHAPTER 3822. FALL CREEK MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3822.001. DEFINITIONS

Sec. 3822.002. FALL CREEK MANAGEMENT DISTRICT

Sec. 3822.003. PURPOSE; DECLARATION OF INTENT

Sec. 3822.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3822.005. DISTRICT TERRITORY

Sec. 3822.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES

Sec. 3822.007. APPLICABILITY OF OTHER LAW

Sec. 3822.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3822.009-3822.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3822.051. COMPOSITION; TERMS

Sec. 3822.052. APPOINTMENT OF DIRECTORS

Sec. 3822.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT

Sec. 3822.054. INITIAL DIRECTORS

[Sections 3822.055-3822.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3822.101. ADDITIONAL POWERS OF DISTRICT

Sec. 3822.102. NONPROFIT CORPORATION

Sec. 3822.103. AGREEMENTS; GRANTS

Sec. 3822.104. LAW ENFORCEMENT SERVICES

Sec. 3822.105. COMPETITIVE BIDDING

Sec. 3822.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

Sec. 3822.107. ECONOMIC DEVELOPMENT PROGRAMS

Sec. 3822.108. MUNICIPAL APPROVAL

[Sections 3822.109-3822.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3822.152. TAX AND BOND ELECTIONS

Sec. 3822.153. MAINTENANCE AND OPERATION TAX

Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3822.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3822.157. BONDS AND OTHER OBLIGATIONS

Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS

[Sections 3822.160-3822.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3822. FALL CREEK MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3822.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Fall Creek Management District. (Acts 78th Leg., R.S., Ch. 1254, Sec. 2.)

Sec. 3822.002. FALL CREEK MANAGEMENT DISTRICT. The Fall Creek Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1254, Sec. 1(a).)

Sec. 3822.003. 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

chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 3.)

Sec. 3822.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1254, Sec. 6.)

Sec. 3822.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1254, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1254, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1254, Sec. 5; New.)

Sec. 3822.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Houston under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 30.)

Sec. 3822.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 7(a).)

Sec. 3822.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 1254, Sec. 8.)

[Sections 3822.009-3822.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3822.051. COMPOSITION; TERMS. (a) The district is governed by a board of five directors appointed under Section 3822.052.

(b) Directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1254, Sec. 9.)

Sec. 3822.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the directors and the mayor vote to appoint that person. (Acts 78th Leg., R.S., Ch. 1254, Sec. 10.)

Sec. 3822.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs

conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 11.)

Sec. 3822.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Jeff Anderson
2	John Deutser
3	Randy Jones

4 Jay Morris

5 Ned Piedmont

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2007, and the terms of directors appointed for positions 4 and 5 expire June 1, 2005.

(c) Section 3822.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 1254, Sec. 27.)

[Sections 3822.055-3822.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3822.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code. (Acts 78th Leg., R.S., Ch. 1254, Secs. 12, 31 (part).)

Sec. 3822.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 15.)

Sec. 3822.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1254, Sec. 13.)

Sec. 3822.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1254, Sec. 14.)

Sec. 3822.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000. (Acts 78th Leg., R.S., Ch. 1254, Sec. 25.)

Sec. 3822.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal

Revenue Code of 1986, as amended, and may perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 1254, Sec. 29.)

Sec. 3822.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services. (Acts 78th Leg., R.S., Ch. 1254, Sec. 31 (part).)

Sec. 3822.108. MUNICIPAL APPROVAL. (a) Except as provided by Subsection (b), the district must obtain approval from the governing body of the City of Houston for:

(1) the issuance of bonds for an improvement project;

(2) the plans and specifications of an improvement project financed by the bonds; and

(3) the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the governing body

of the City of Houston for a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Acts 78th Leg., R.S., Ch. 1254, Sec. 22.)

[Sections 3822.109-3822.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3822.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1254, Sec. 24.)

Sec. 3822.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 17.)

Sec. 3822.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3822.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 1254, Sec. 18.)

Sec. 3822.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg.,

R.S., Ch. 1254, Sec. 19.)

Sec. 3822.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County. (Acts 78th Leg., R.S., Ch. 1254, Sec. 16.)

Sec. 3822.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 1254, Sec. 20 (part).)

Sec. 3822.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1254, Sec. 21.)

Sec. 3822.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 23.)

Sec. 3822.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 28.)

[Sections 3822.160-3822.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3822.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of

discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1254, Sec. 26.)

CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

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Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT

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Sec. 3823.051. COMPOSITION; TERMS

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[Sections 3823.056-3823.100 reserved for expansion]

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Sec. 3823.102. NONPROFIT CORPORATION

Sec. 3823.103. AGREEMENTS; GRANTS

Sec. 3823.104. LAW ENFORCEMENT SERVICES

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[Sections 3823.107-3823.150 reserved for expansion]

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Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS

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Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3823.155. BONDS AND OTHER OBLIGATIONS

[Sections 3823.156-3823.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3823. GREAT SOUTHWEST IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3823.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Great Southwest Improvement District. (Acts 78th Leg., R.S., Ch. 1159, Sec. 2.)

Sec. 3823.002. GREAT SOUTHWEST IMPROVEMENT DISTRICT. The Great Southwest Improvement District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1159, Sec. 1(a).)

Sec. 3823.003. 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 chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Tarrant County or the City of Arlington from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 3.)

Sec. 3823.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1159, Sec. 6.)

Sec. 3823.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1159, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained

in Section 4, Chapter 1159, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1159, Sec. 5; New.)

Sec. 3823.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 7(a).)

Sec. 3823.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 1159, Sec. 8.)

[Sections 3823.008-3823.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3823.051. COMPOSITION; TERMS. The district is governed by a board of nine directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year. (Acts 78th Leg., R.S., Ch. 1159, Sec. 9.)

Sec. 3823.052. QUALIFICATIONS. (a) To be qualified to serve as a director, a person must be at least 18 years old and:

(1) an owner of property subject to assessment by the district;

(2) an owner of a beneficial interest in a trust that owns property subject to assessment by the district; or

(3) an agent, employee, or tenant nominated by a person covered by Subdivision (1) or (2).

(b) Section 375.063, Local Government Code, does not apply to the board. (Acts 78th Leg., R.S., Ch. 1159, Sec. 10.)

Sec. 3823.053. APPOINTMENT OF DIRECTORS. The governing body of the City of Arlington shall appoint directors from persons recommended by the board as provided by Section 375.064, Local Government Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 11.)

Sec. 3823.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director appointed under Section 11 may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar

interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 12.)

Sec. 3823.055. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Jeff Williams
2	Jerry Jordan
3	Dirk Taylor
4	Kevin Santaularia
5	Mark Skinner
6	Bennett Carter
7	Knute Klingen
8	Ken McCall
9	Dennis Brown

(b) Of the initial directors, the terms of directors appointed for positions 1 through 5 expire on June 1, 2005, and the terms of directors appointed for positions 6 through 9 expire on June 1, 2007.

(c) Sections 3823.052 and 3823.053 do not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 1159, Sec. 25.)

[Sections 3823.056-3823.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3823.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 14.)

Sec. 3823.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 17.)

Sec. 3823.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1159, Sec. 15.)

Sec. 3823.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Tarrant County or the City of Arlington to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1159, Sec. 16.)

Sec. 3823.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000. (Acts 78th Leg., R.S., Ch. 1159, Sec. 23.)

Sec. 3823.106. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:

(A) telecommunications network;

(B) fiber-optic cable; or

(C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit. (Acts 78th Leg., R.S., Ch. 1159, Sec. 13.)

[Sections 3823.107-3823.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3823.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1159, Sec. 22.)

Sec. 3823.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 78th Leg., R.S., Ch. 1159, Sec. 19.)

Sec. 3823.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Tarrant County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property in the district that will be subject to assessment according to the most recent certified tax appraisal roll for Tarrant County.

(c) A petition requesting a project financed by bonds must be signed by the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Tarrant County. (Acts 78th Leg., R.S., Ch. 1159, Secs. 18, 21(c).)

Sec. 3823.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or

121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 1159, Sec. 20.)

Sec. 3823.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1159, Secs. 21(a), (b).)

[Sections 3823.156-3823.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3823.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1159, Sec. 24.)

CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

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Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3824. HARBORSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3824.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Harborside Management District. (Acts 78th Leg., R.S., Ch. 1255, Sec. 2.)

Sec. 3824.002. HARBORSIDE MANAGEMENT DISTRICT. The

Harborside Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1255, Sec. 1(a).)

Sec. 3824.003. 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 chapter. By creating the district and in authorizing the City of Galveston, Galveston County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Galveston County or the City of Galveston from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 3.)

Sec. 3824.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by

the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district

will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1255, Sec. 6.)

Sec. 3824.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1255, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

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

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1255, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1255, Sec. 5; New.)

Sec. 3824.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the City of Galveston under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Galveston under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Galveston under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 30.)

Sec. 3824.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 7(a).)

Sec. 3824.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 1255, Sec. 8.)

[Sections 3824.009-3824.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3824.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five voting directors appointed under Section 3824.052 and nonvoting directors as provided by Section 3824.053.

(b) Voting directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 directors. (Acts 78th Leg., R.S., Ch. 1255, Sec. 9.)

Sec. 3824.052. APPOINTMENT OF DIRECTORS. The governing body of the City of Galveston shall appoint voting directors to the

board. (Acts 78th Leg., R.S., Ch. 1255, Sec. 10.)

Sec. 3824.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Galveston or a person designated by that director:

(A) parks and recreation;

(B) planning and zoning; and

(C) public works; and

(2) the city manager of the City of Galveston or a person designated by the city manager.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

(c) Nonvoting directors are not counted for the purposes of establishing a quorum of the board. (Acts 78th Leg., R.S., Ch. 1255, Sec. 11.)

Sec. 3824.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply

to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 12.)

Sec. 3824.055. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	John Sullivan
2	Richard Ryan
3	John Kelso
4	Douglas Harris
5	Glenn Forman, Jr.

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2007, and the terms of directors appointed for positions 4 and 5 expire June 1, 2005.

(c) Section 3824.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 1255, Sec. 27.)

[Sections 3824.056-3824.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3824.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district;

(3) a municipality under Chapter 380, Local Government Code;

(4) an entity described in Chapters 284 and 441, Transportation Code; and

(5) a district governed by Subchapters E and M, Chapter 60, Water Code, and Section 61.116, Water Code. (Acts 78th Leg., R.S., Ch. 1255, Secs. 13, 31 (part).)

Sec. 3824.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to

assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 16.)

Sec. 3824.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1255, Sec. 14.)

Sec. 3824.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Galveston County or the City of Galveston to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1255, Sec. 15.)

Sec. 3824.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000. (Acts 78th Leg., R.S., Ch. 1255, Sec. 25.)

Sec. 3824.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

(b) An expenditure of public money for membership in the organization is considered to further a district purpose and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 1255, Sec. 29.)

Sec. 3824.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services. (Acts 78th Leg., R.S., Ch. 1255, Sec. 31 (part).)

[Sections 3824.108-3824.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3824.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 1255, Sec. 24.)

Sec. 3824.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before

the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 18.)

Sec. 3824.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3824.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 1255, Sec. 19.)

Sec. 3824.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem

taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg., R.S., Ch. 1255, Sec. 20.)

Sec. 3824.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Galveston County. (Acts 78th Leg., R.S., Ch. 1255, Sec. 17.)

Sec. 3824.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 1255, Sec. 21 (part).)

Sec. 3824.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1255, Sec. 22.)

Sec. 3824.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 23.)

Sec. 3824.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the

district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 28.)

[Sections 3824.160-3824.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3824.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 1255, Sec. 26.)

CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3825.001. DEFINITIONS

Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

Sec. 3825.003. PURPOSE; DECLARATION OF INTENT

Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3825.005. DISTRICT TERRITORY

Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3825.007-3825.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3825.051. COMPOSITION; TERMS

Sec. 3825.052. QUALIFICATIONS

Sec. 3825.053. ELECTION DATE

Sec. 3825.054. INITIAL DIRECTORS

[Sections 3825.055-3825.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3825.101. POWERS OF DISTRICT

Sec. 3825.102. AGREEMENTS; GRANTS

Sec. 3825.103. LAW ENFORCEMENT SERVICES

[Sections 3825.104-3825.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3825.153. MAINTENANCE AND OPERATION TAX

Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3825.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3825.157. BONDS AND OTHER OBLIGATIONS

CHAPTER 3825. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3825.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means Harris County Road Improvement District No. 1. (Acts 78th Leg., R.S., Ch. 885, Sec. 3.)

Sec. 3825.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 1. Harris County Road Improvement District No. 1 is a special

district created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 885, Sec. 1(a).)

Sec. 3825.003. 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 chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district. (Acts 78th Leg., R.S., Ch. 885, Sec. 2.)

Sec. 3825.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 885, Sec. 6.)

Sec. 3825.005. DISTRICT TERRITORY. (a) The district is

composed of the territory described by Section 4, Chapter 885, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 885, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 885, Sec. 5; New.)

Sec. 3825.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter. (Acts 78th Leg., R.S., Ch. 885, Sec. 8(a).)

[Sections 3825.007-3825.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3825.051. COMPOSITION; TERMS. The district is governed by a board of five elected directors. Directors serve staggered terms of four years. (Acts 78th Leg., R.S., Ch. 885, Sec. 9(a).)

Sec. 3825.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

(b) Section 49.052, Water Code, does not apply to district directors. (Acts 78th Leg., R.S., Ch. 885, Sec. 10.)

Sec. 3825.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years. (Acts 78th Leg., R.S., Ch. 885, Sec. 9(b).)

Sec. 3825.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

David Flickinger

Julie Roberts

Ingelisa Keeling

James Warnica

Kim Osburn

(b) Of the initial directors, the terms of the first three directors named in Subsection (a) expire on June 1, 2006, and the terms of the last two directors named in Subsection (a) expire on June 1, 2004.

(c) On the uniform election date in May 2004, the board shall hold an election for the directors whose terms expire on June 1, 2004. On the uniform election date in May 2006, the board shall hold an election for the directors whose terms expire on June 1, 2006.

(d) This section expires September 1, 2006. (Acts 78th Leg., R.S., Ch. 885, Sec. 19.)

[Sections 3825.055-3825.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3825.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;

(2) Chapter 375, Local Government Code; and

(3) Chapters 49 and 54, Water Code. (Acts 78th Leg., R.S., Ch. 885, Sec. 11.)

Sec. 3825.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 885, Sec. 12.)

Sec. 3825.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 885, Sec. 13.)

[Sections 3825.104-3825.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3825.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses. (Acts 78th Leg., R.S., Ch. 885, Sec. 14.)

Sec. 3825.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election. (Acts 78th Leg., R.S., Ch. 885, Sec. 15.)

Sec. 3825.153. MAINTENANCE AND OPERATION TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 885, Sec. 16.)

Sec. 3825.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's

fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 78th Leg., R.S., Ch. 885, Secs. 17(a), (d), (e).)

Sec. 3825.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to

the most recent certified tax appraisal roll for the county in which the property is located. (Acts 78th Leg., R.S., Ch. 885, Sec. 17(b).)

Sec. 3825.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment or facilities, of:

(1) an electric utility as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended. (Acts 78th Leg., R.S., Ch. 885, Sec. 17(c).)

Sec. 3825.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 885, Sec. 18.)

CHAPTER 3826. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3826.001. DEFINITIONS

Sec. 3826.002. HARRIS COUNTY ROAD IMPROVEMENT DISTRICT NO. 2

Sec. 3826.003. PURPOSE; DECLARATION OF INTENT

Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3826.005. DISTRICT TERRITORY

Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3826.007-3826.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3826.051. COMPOSITION; TERMS

Sec. 3826.052. QUALIFICATIONS

Sec. 3826.053. ELECTION DATE

Sec. 3826.054. INITIAL DIRECTORS

[Sections 3826.055-3826.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3826.101. POWERS OF DISTRICT

Sec. 3826.102. AGREEMENTS; GRANTS

Sec. 3826.103. LAW ENFORCEMENT SERVICES

[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 chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district. (Acts 78th Leg., R.S., Ch.

1297, Sec. 2.)

Sec. 3826.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1297, Sec. 6.)

Sec. 3826.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1297, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1297, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and

interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1297, Sec. 5; New.)

Sec. 3826.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter. (Acts 78th Leg., R.S., Ch. 1297, Sec. 8(a).)

[Sections 3826.007-3826.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3826.051. COMPOSITION; TERMS. The district is governed by a board of five elected directors. Directors serve staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1297, Sec. 9(a).)

Sec. 3826.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

(b) Section 49.052, Water Code, does not apply to district directors. (Acts 78th Leg., R.S., Ch. 1297, Sec. 10.)

Sec. 3826.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years. (Acts 78th Leg., R.S., Ch. 1297, Sec. 9(b).)

Sec. 3826.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Mike Magness

Andi Artze

Brian Crum

Ashlyn Tankersley

Adam Kramer

(b) Of the initial directors, the terms of the first three directors named in Subsection (a) expire on June 1, 2006, and the terms of the last two directors named in Subsection (a) expire on June 1, 2004.

(c) On the uniform election date in May 2004, the board shall hold an election for the directors whose terms expire on June 1, 2004. On the uniform election date in May 2006, the board shall hold an election for the directors whose terms expire on June 1, 2006.

(d) This section expires September 1, 2006. (Acts 78th Leg., R.S., Ch. 1297, Sec. 19.)

[Sections 3826.055-3826.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3826.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;

(2) Chapter 375, Local Government Code; and

(3) Chapters 49 and 54, Water Code. (Acts 78th Leg., R.S., Ch. 1297, Sec. 11.)

Sec. 3826.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any

person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1297, Sec. 12.)

Sec. 3826.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1297, Sec. 13.)

[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. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses. (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

Sec. 3826.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election. (Acts 78th Leg., R.S., Ch. 1297, Sec. 15.)

Sec. 3826.153. MAINTENANCE AND OPERATION TAX. (a) The

district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 1297, Sec. 16.)

Sec. 3826.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(Acts 78th Leg., R.S., Ch. 1297, Secs. 17(a), (c), (d).)

Sec. 3826.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located. (Acts 78th Leg., R.S., Ch. 1297, Sec. 17(b).)

Sec. 3826.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended. (Acts 78th Leg., R.S., Ch. 1297, Sec. 14 (part).)

Sec. 3826.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1297, Sec. 18.)

CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3827.001. DEFINITIONS

Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

Sec. 3827.003. PURPOSE; DECLARATION OF INTENT

Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT

Sec. 3827.006. DISTRICT TERRITORY

Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3827.008-3827.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3827.051. COMPOSITION; TERMS

Sec. 3827.052. APPOINTMENT OF DIRECTORS

Sec. 3827.053. VACANCIES

Sec. 3827.054. INITIAL DIRECTORS

[Sections 3827.055-3827.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3827.101. POWERS OF DISTRICT

Sec. 3827.102. AGREEMENTS; GRANTS

Sec. 3827.103. LAW ENFORCEMENT SERVICES

Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS

[Sections 3827.105-3827.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3827.152. TAX AND BOND ELECTIONS

Sec. 3827.153. MAINTENANCE AND OPERATION TAX

Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3827.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE; POWERS; ELIGIBILITY

Sec. 3827.158. BONDS AND OTHER OBLIGATIONS

CHAPTER 3827. KATY TOWNE CENTRE DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3827.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means Katy Towne Centre Development

District. (Acts 78th Leg., R.S., Ch. 765, Sec. 3.)

Sec. 3827.002. KATY TOWNE CENTRE DEVELOPMENT DISTRICT. Katy Towne Centre Development District is a special district created under Section 52, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 765, Sec. 1(a).)

Sec. 3827.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district. (Acts 78th Leg., R.S., Ch. 765, Sec. 2.)

Sec. 3827.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and

diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 765, Sec. 6.)

Sec. 3827.005. FINDINGS RELATED TO REDEVELOPMENT. The legislature finds that development or redevelopment in the area in the district would not occur solely through private investment in the reasonably foreseeable future and that the area in the

district:

(1) is unproductive, underdeveloped, or blighted;

(2) substantially arrests and impairs the sound growth of the city of Katy because of:

(A) obsolete platting;

(B) deterioration of structures or site improvements; or

(C) other factors;

(3) retards the provision of housing accommodations;

(4) is an economic and social liability;

(5) is a menace to the public health, safety, morals, and welfare in its present condition and use; and

(6) is predominantly open. (Acts 78th Leg., R.S., Ch. 765, Sec. 7.)

Sec. 3827.006. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 765, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 765, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for

which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 765, Sec. 5; New.)

Sec. 3827.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter. (Acts 78th Leg., R.S., Ch. 765, Sec. 10(a).)

[Sections 3827.008-3827.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3827.051. COMPOSITION; TERMS. The district is governed by a board of five directors. Directors serve staggered terms of four years. (Acts 78th Leg., R.S., Ch. 765, Sec. 11.)

Sec. 3827.052. APPOINTMENT OF DIRECTORS. (a) The governing body of the City of Katy shall appoint directors to the board.

(b) Section 375.063, Local Government Code, and Section 49.052, Water Code, do not apply to district directors. (Acts 78th Leg., R.S., Ch. 765, Sec. 12.)

Sec. 3827.053. VACANCIES. A vacancy on the board shall be filled by the remaining directors. (Acts 78th Leg., R.S., Ch. 765, Sec. 13.)

Sec. 3827.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Name of Director

Ricky Burch

Ed Weisner

George Parker

Bruce Skates

Malcolm Beckendorff

(b) Of the initial directors, the terms of the first three directors named in Subsection (a) expire on June 1, 2006, and the terms of the last two directors named in Subsection (a) expire on June 1, 2004.

(c) This section expires September 1, 2006. (Acts 78th Leg., R.S., Ch. 765, Sec. 25.)

[Sections 3827.055-3827.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3827.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;

(2) Chapter 375, Local Government Code; and

(3) Chapters 49 and 54, Water Code. (Acts 78th Leg., R.S., Ch. 765, Sec. 14.)

Sec. 3827.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government

Code. (Acts 78th Leg., R.S., Ch. 765, Sec. 15.)

Sec. 3827.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 765, Sec. 16.)

Sec. 3827.104. USE AND ALTERATION OF PUBLIC WAYS. Section 375.093(c), Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 765, Sec. 22.)

[Sections 3827.105-3827.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3827.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses. (Acts 78th Leg., R.S., Ch. 765, Sec. 17.)

Sec. 3827.152. TAX AND BOND ELECTIONS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election. (Acts 78th Leg., R.S., Ch. 765, Sec. 18.)

Sec. 3827.153. MAINTENANCE AND OPERATION TAX. (a) The district may impose an annual ad valorem tax on taxable property in

the district for any district purpose, including to:

(1) maintain and operate the district, including improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 765, Sec. 19.)

Sec. 3827.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 78th Leg., R.S., Ch. 765, Secs. 20(a), (c), (d).)

Sec. 3827.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located. (Acts 78th Leg., R.S., Ch. 765, Sec. 20(b).)

Sec. 3827.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable

television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 765, Sec. 21.)

Sec. 3827.157. TAX INCREMENT REINVESTMENT ZONE; POWERS; ELIGIBILITY. (a) Without further authorization or procedural requirement, the district is a tax increment reinvestment zone under Chapter 311, Tax Code.

(b) The district has all powers provided under Chapter 311, Tax Code.

(c) The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) The base year value of the district, for tax increment financing purposes, is the value as of January 1, 2003, of all taxable real property in the district as shown on the certified tax rolls of the central appraisal district.

(e) All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Katy under Chapter 311, Tax Code. (Acts 78th Leg., R.S., Ch. 765, Secs. 8, 23.)

Sec. 3827.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a

proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 765, Sec. 24.)

CHAPTER 3828. LAKE VIEW MANAGEMENT AND DEVELOPMENT DISTRICT IN HENDERSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3828.001. DEFINITIONS

Sec. 3828.002. CREATION AND NATURE OF DISTRICT

Sec. 3828.003. PURPOSE; LEGISLATIVE FINDINGS

Sec. 3828.004. DISTRICT TERRITORY

Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3828.006-3828.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

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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.)

Sec. 3828.002. CREATION AND NATURE OF DISTRICT. (a) The Lake View Management and Development District is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The board by resolution may change the district's name. The board shall give written notice of the change to the commission.

(c) The district is a governmental unit for the purposes of

Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of that chapter. (Acts 78th Leg., R.S., Ch. 1292, Sec. 1.)

Sec. 3828.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) All land and other property included in the district will benefit from the improvement projects and services to be accomplished by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district:

(1) is essential to the conservation and beneficial use of the water, land, including soil, and other natural resources in or adjacent to the district;

(2) is essential to further the public purposes of:

(A) economic development and diversification of the state;

(B) elimination of unemployment and underemployment; and

(C) stimulation and development of transportation and commerce;

(3) will promote the health, safety, and general

welfare of residents, employers, employees, and consumers in the district and in Henderson County and of the public; and

(4) is in the public interest.

(d) The district's operations and the district's improvement projects will enable the district to preserve, maintain, and enhance the economic health and vitality of the area in the district as a community, residential, recreational, business, and commerce center.

(e) The district will promote the health, safety, welfare, education, convenience, and enjoyment of the public by:

(1) improving, landscaping, and developing certain areas in and adjacent to the district; and

(2) providing public services and facilities in and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic beauty. (Acts 78th Leg., R.S., Ch. 1292, Sec. 5.)

Sec. 3828.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Section 3828.105 or its predecessor statute, former Section 18, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003; or

(2) other law.

(b) The boundaries of the district form a closure. A mistake in the name or spelling of a party to a deed or to the page or volume where filed in the deed records of Henderson County, or in

the name of a survey or abstract, does not affect:

(1) the district's organization, existence, or validity;

(2) the district's right to enter into any type of contract for the purposes for which the district is created;

(3) the district's right to impose, assess, or collect taxes, fees, or charges; or

(4) the operation of the board or the district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 4; New.)

Sec. 3828.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 1292, Sec. 6(a).)

[Sections 3828.006-3828.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3828.051. COMPOSITION; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years.

(b) The board shall hold an election on the uniform election day in February of each even-numbered year to elect the appropriate number of directors.

(c) The board shall hold the first election under this section in 2010. This subsection expires September 1, 2012. (Acts 78th Leg., R.S., Ch. 1292, Secs. 8(a) (part), (d) (part).)

Sec. 3828.052. ELIGIBILITY. To be qualified to serve as a director, a person must be at least 18 years of age and:

(1) reside in the district;

(2) own real property in the district;

(3) own at least 10 percent of the outstanding interest of a corporation or general or limited partnership that owns real property in the district; or

(4) be an agent, employee, officer, or director of a corporation, limited liability company, or partnership that owns real property in the district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 8(e) (part).)

Sec. 3828.053. VACANCY. The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3828.052. (Acts 78th Leg., R.S., Ch. 1292, Sec. 9.)

Sec. 3828.054. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond must be approved by the board.

(c) The bond and constitutional oath or affirmation of office shall be filed with the district and the district shall retain the bond and oath or affirmation in the district records.

(d) The district shall pay the cost of the bond. (Acts 78th Leg., R.S., Ch. 1292, Secs. 10(a), (c), (d).)

Sec. 3828.055. OFFICERS. The board shall elect from among the directors a presiding officer, a vice presiding officer, and a secretary. (Acts 78th Leg., R.S., Ch. 1292, Sec. 11.)

Sec. 3828.056. COMPENSATION. A director is not entitled to

compensation for service on the board but is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director. (Acts 78th Leg., R.S., Ch. 1292, Sec. 12.)

Sec. 3828.057. INITIAL DIRECTORS. (a) The following directors serve until March 1, 2008:

(1) Position One: Murray Holland

(2) Position Two: Scott Griffith

(3) Position Three: Thomas Corcoran

(4) Position Four: David Jaderlund

(5) Position Five: Robert Whitman

(b) The board shall hold an election to elect all directors on the uniform election day in February 2008. Persons elected to Positions One and Two serve terms expiring March 1, 2010. Persons elected to Positions Three, Four and Five serve terms expiring March 1, 2012.

(c) The board shall hold an election in 2010 and 2012 in accordance with Section 3828.051(b) to elect directors to fill the positions the terms of which expire on March 1 of those years.

(d) Sections 3828.051(a) and 3828.052 do not apply to initial directors.

(e) This section expires September 1, 2012. (Acts 78th Leg., R.S., Ch. 1292, Secs. 8(a) (part), (b), (c), (d), (e) (part).)

Sec. 3828.058. DISTRICT CONFIRMATION ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the initial directors shall hold an organizational meeting and call a confirmation election to be held not later than the

second uniform election date occurring after the date of the organizational meeting.

(b) The confirmation election to confirm the establishment of the district shall be called and held in the manner provided by Subchapter D, Chapter 49, Water Code. If a majority of the votes cast at a confirmation election do not favor the creation of the district, the board may call subsequent elections, but may not call another confirmation election sooner than six months after the date of the previous election.

(c) Before the district is confirmed at an election, the district may carry on business as the board may determine except that the district may not borrow money or impose or assess a tax or an assessment. (Acts 78th Leg., R.S., Ch. 1292, Sec. 14.)

[Sections 3828.059-3828.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3828.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code;

(3) Chapter 372, Local Government Code, in the same

manner as a municipality or a county;

(4) Chapter 375, Local Government Code; and

(5) Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 78th Leg., R.S., Ch. 1292, Sec. 7(a).)

Sec. 3828.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a retail or wholesale water treatment, supply, and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater and sewerage collection and treatment facility or system, provided that treated effluent water resulting from a sewerage treatment facility operated by or in the district may be used by the district for irrigation in the district;

(2) septic tank maintenance services inside or outside the district and solid waste disposal services if the board determines the action to be necessary and appropriate to protect the district;

(3) a macadamized, graveled, or paved road, street, or turnpike, inside and outside the district to the extent authorized by Section 52, Article III, Texas Constitution;

(4) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

(B) highway right-of-way or transit corridor beautification and improvement;

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;

(H) a fountain, plaza, or pedestrian mall; or

(I) a drainage or storm-water detention improvement;

(5) protection and improvement of the quality of storm water that flows through the district;

(6) the planning, design, construction, improvement, maintenance, and operation of:

(A) a solid waste, water, sewer, or power facility or service, including an electrical, gas, steam, or chilled water facility; or

(B) an off-street parking facility or heliport;

(7) the planning and acquisition of:

(A) public art and sculpture and related exhibits and facilities; or

(B) an educational and cultural exhibit or facility;

(8) the planning, design, construction, acquisition,

lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(A) a conference, convention, or exhibition;

(B) a manufacturer, consumer, or trade show;

(C) a civic, community, or institutional event; or

(D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(9) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;

(10) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;

(11) the acquisition of property or an interest in property in connection with an authorized improvement project;

(12) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;

(B) promotion;

(C) tourism;

(D) health and sanitation;

(E) public safety;

(F) security;

(G) fire protection or emergency medical services;

(H) business recruitment;

(I) development;

(J) elimination of traffic congestion; and

(K) recreational, educational, or cultural improvements, enhancements, and services; or

(13) any similar public improvement, facility, or service. (Acts 78th Leg., R.S., Ch. 1292, Sec. 15.)

Sec. 3828.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) enter into a contract with any person to accomplish any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

(b) A contract the district enters into to carry out a

purpose of this chapter may be on any terms and for any period the board determines.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization. (Acts 78th Leg., R.S., Ch. 1292, Secs. 16(a) (part), (b), (c).)

Sec. 3828.104. RULES. The district may adopt rules:

(1) to administer or operate the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; or

(3) to provide for public safety and security in the district. (Acts 78th Leg., R.S., Ch. 1292, Sec. 17.)

Sec. 3828.105. ADDITION OR REMOVAL OF TERRITORY. The board may add, delete, or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code, as limited by Section 54.016, Water Code, except that:

(1) for purposes of this section, a reference in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, to a tax means an ad valorem tax;

(2) Section 54.016, Water Code, and Section 42.042, Local Government Code, do not apply to the district's annexation of land restricted primarily to commercial or business use;

(3) land may not be added or annexed to the district without the consent of the owners of the land; and

(4) land may not be removed or disannexed from the district at any time during which any bonds or other obligations of

the district that are payable, wholly or partly, from ad valorem taxes are outstanding. (Acts 78th Leg., R.S., Ch. 1292, Sec. 18.)

Sec. 3828.106. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain inside district boundaries for any public purpose.

(b) The district may exercise the power of eminent domain outside district boundaries only to construct, acquire, operate, repair, or maintain a water supply line or sanitary sewer line.

(c) The district's power of eminent domain must be exercised in the manner provided by Chapter 21, Property Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 19.)

Sec. 3828.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the incorporation of a nonprofit corporation to assist and act for the district in implementing an improvement project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any improvement project and provide any service authorized by this chapter and approved by the board.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner, for the same term, and on the same conditions as a board of directors of a local government corporation created under Subchapter D, Chapter 431,

Transportation Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 20.)

Sec. 3828.108. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, provides to any municipality. (Acts 78th Leg., R.S., Ch. 1292, Sec. 21.)

Sec. 3828.109. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. (Acts 78th Leg., R.S., Ch. 1292, Sec. 22.)

Sec. 3828.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF THE DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district. To the extent the district rules conflict with a rule, order, or regulation of Henderson County or the Tarrant Regional Water District, the rule, order, or regulation of the county or Tarrant Regional Water District controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility. The board may charge a fee for the permit application or for public safety or

security services in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility on terms and on payment of a permit or franchise fee the board may impose. (Acts 78th Leg., R.S., Ch. 1292, Sec. 23.)

Sec. 3828.111. ZONING BY COUNTY. (a) If requested by the district to exercise zoning powers, Henderson County may exercise, solely in the district boundaries, the zoning powers granted to counties in Subchapter E, Chapter 231, Local Government Code, without holding the election required by Section 231.075 of that code.

(b) If the county exercises zoning powers, the board shall exercise and perform the powers, duties, and functions of a lake planning commission under Section 231.077, Local Government Code.

(c) This section does not apply to land or facilities owned by the Tarrant Regional Water District. (Acts 78th Leg., R.S., Ch. 1292, Sec. 24.)

[Sections 3828.112-3828.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3828.151. GENERAL POWERS REGARDING FINANCIAL MATTERS. The district may:

(1) impose an ad valorem tax in accordance with Chapter 375, Local Government Code, on all taxable property in the district;

(2) impose an assessment or impact fee in the manner provided for a municipality or county under Chapter 372, Local

Government Code, on all industrial, commercial, and residential property in the district;

(3) impose and apply the proceeds from a sales and use tax, and a hotel occupancy tax, as authorized by this chapter;

(4) impose a rate, fee, or charge for the use of an improvement project or the consumption of a product resulting from an improvement project;

(5) borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for the district purpose;

(6) establish, revise, repeal, enforce, collect, and apply the proceeds from a user fee or charge for the enjoyment, sale, rental, or other use of a district facility, service, property, or improvement project;

(7) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs of an improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the imposition of taxes, user fees, concessions, rentals, or other revenues or resources of the district;

(8) establish user charges related to the operation of various public services, including public water supply services, for the collection and treatment of wastewater, and for the operation of storm-water facilities, including the regulation of

storm water for the protection of water quality in the district, and for the provision of septic tank maintenance services inside and outside the district;

(9) undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(10) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities. (Acts 78th Leg., R.S., Ch. 1292, Sec. 16(a) (part).)

Sec. 3828.152. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment, including an impact fee or assessment on residential property, only in the manner provided by Chapter 372, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

(1) public water and wastewater facilities;

(2) drainage and storm-water facilities; and

(3) streets and alleys.

(c) The district may not impose an impact fee or assessment on the property, including equipment and facilities, of a public utility provider or a cable operator as defined by 47 U.S.C. Section 522, as amended. (Acts 78th Leg., R.S., Ch. 1292, Sec. 25.)

Sec. 3828.153. MAINTENANCE AND OPERATION TAX; ELECTION. (a) The district may impose a tax for maintenance and operation purposes, including for funds for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the voters voting at an election held for that purpose. If the tax is approved, the board may have the tax assessed and collected in the same manner as other district ad valorem taxes.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. (Acts 78th Leg., R.S., Ch. 1292, Secs. 26(a)-(d).)

Sec. 3828.154. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax

money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose. (Acts 78th Leg., R.S., Ch. 1292, Sec. 26(e).)

Sec. 3828.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds in the manner provided by Subchapter J, Chapter 375, Local Government Code, except that Sections 375.207 and 375.208 do not apply to bonds issued under this chapter.

(b) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from the sales and use tax and the hotel occupancy tax authorized by this chapter and from any other district revenues. (Acts 78th Leg., R.S., Ch. 1292, Sec. 31.)

Sec. 3828.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the

redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the voters in the district voting at an election held for that purpose.

(c) The district shall hold an election required by this section in the manner provided by Subchapter L, Chapter 375, Local Government Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 27.)

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.07, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156. (Acts 78th Leg., R.S., Ch. 1292, Sec. 26(f).)

Sec. 3828.158. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter A, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

(c) Except as inconsistent with this section, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this section, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

(d) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the

use or possession of a room that:

(1) is in a hotel located in the district's boundaries;

(2) costs $2 or more each day; and

(3) is ordinarily used for sleeping.

(e) The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

(f) The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality. (Acts 78th Leg., R.S., Ch. 1292, Sec. 29.)

Sec. 3828.159. USE OF HOTEL OCCUPANCY TAX. (a) The district may use the proceeds from a hotel occupancy tax imposed under Section 3828.158 for any of the district's purposes and for the purposes described by Section 352.1015, Tax Code, to the extent the board considers appropriate.

(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under Section 3828.158 is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

(1) the costs of advertising and promoting tourism; or

(2) the costs of business development and commerce, including the costs of planning, designing, constructing, acquiring, leasing, financing, owning, operating, maintaining,

managing, improving, repairing, rehabilitating, or reconstructing improvement projects for:

(A) conferences, conventions, and exhibitions;

(B) manufacturer, consumer, or trade shows; and

(C) civic, community, or institutional events.

(c) For purposes of this section, a reference in Subchapter B, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter B, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board. (Acts 78th Leg., R.S., Ch. 1292, Sec. 30.)

[Sections 3828.160-3828.200 reserved for expansion]

SUBCHAPTER E. SALES AND USE TAX

Sec. 3828.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(a).)

Sec. 3828.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county

referred to the district and references to a commissioners court referred to the board.

(c) Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this subchapter. (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(b), (d).)

Sec. 3828.203. AUTHORIZATION; ELECTION. (a) The district may adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b) The board by order may call an election to adopt, reduce, or repeal a sales and use tax. The election must be held on the next available uniform election date that occurs at least 45 days after the date the order calling the election was passed.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts.

(d) The ballots shall be printed to provide for voting for or against the following appropriate proposition:

(1) "Adoption of a ___ percent district sales and use tax within the district";

(2) "Reduction of the district sales and use tax within the district from ___ percent to ___ percent"; or

(3) "Repeal of the district sales and use tax within the district." (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(c), (g).)

Sec. 3828.204. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this

subchapter takes effect on the first day of the calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code. (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(e), (i).)

Sec. 3828.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(f).)

Sec. 3828.206. EFFECT OF ANNEXATION OR EXCLUSION OF TERRITORY. (a) If all or part of the district territory is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity of an election, so that the combined rate of all sales and use taxes imposed by Henderson County, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, except that:

(1) a sales and use tax previously adopted by the

district for the annexed territory may not be reduced to less than one-half percent; and

(2) a reduction of the district's sales and use tax in the portions of the district that are not annexed is not required.

(b) Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by this section, the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality. (Acts 78th Leg., R.S., Ch. 1292, Secs. 28(h), (j).)

Sec. 3828.207. EXAMINATION AND RECEIPT OF INFORMATION. The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality. (Acts 78th Leg., R.S., Ch. 1292, Sec. 28(k).)

[Sections 3828.208-3828.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION OF DISTRICT

Sec. 3828.251. DISSOLUTION. (a) Except as provided by Subsection (b) and the terms of a joint development and operating agreement, the board:

(1) may dissolve the district; and

(2) shall dissolve the district on receipt of a written petition requesting dissolution signed by the owners of 75 percent of the acreage of real property in the district.

(b) The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

(c) After the board dissolves the district, the board shall transfer ownership of all district property and assets to Henderson County. (Acts 78th Leg., R.S., Ch. 1292, Sec. 32.)

CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3829.001. DEFINITIONS

Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT

Sec. 3829.003. PURPOSE; DECLARATION OF INTENT

Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

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[Sections 3829.009-3829.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3829.051. COMPOSITION; TERMS

Sec. 3829.052. APPOINTMENT OF DIRECTORS

Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT

Sec. 3829.054. INITIAL DIRECTORS

[Sections 3829.055-3829.100 reserved for expansion]

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Sec. 3829.103. AGREEMENTS; GRANTS

Sec. 3829.104. LAW ENFORCEMENT SERVICES

Sec. 3829.105. COMPETITIVE BIDDING

Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS

[Sections 3829.108-3829.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3829.152. TAX AND BOND ELECTIONS

Sec. 3829.153. MAINTENANCE AND OPERATION TAX

Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3829.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3829.157. BONDS AND OTHER OBLIGATIONS

Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS

[Sections 3829.160-3829.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3829. SIENNA PLANTATION MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3829.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Sienna Plantation Management District. (Acts 78th Leg., R.S., Ch. 987, Sec. 2.)

Sec. 3829.002. SIENNA PLANTATION MANAGEMENT DISTRICT. The Sienna Plantation Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 987, Sec. 1(a))

Sec. 3829.003. 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 chapter. By creating the district and in authorizing the City of Missouri City, Fort Bend County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Fort Bend County or the City of Missouri City from providing the level of services provided, as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area

in the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 3.)

Sec. 3829.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street

landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 987, Sec. 6.)

Sec. 3829.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 987, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 987, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 987, Sec. 5; New.)

Sec. 3829.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be

included in:

(1) a tax increment reinvestment zone created by the City of Missouri City under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the City of Missouri City under Chapter 312, Tax Code; or

(3) an enterprise zone created by the City of Missouri City under Chapter 2303, Government Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 29.)

Sec. 3829.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 7(a).)

Sec. 3829.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 987, Sec. 8.)

[Sections 3829.009-3829.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3829.051. COMPOSITION; TERMS. (a) Except as provided by Subsection (c), the district is governed by a board of five directors appointed under Section 3829.052.

(b) Directors serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(c) The board by resolution may increase or decrease the number of directors on the board if the board finds it is in the best interest of the district. The board may not consist of fewer than 5

or more than 15 directors. (Acts 78th Leg., R.S., Ch. 987, Sec. 9.)

Sec. 3829.052. APPOINTMENT OF DIRECTORS. The board shall nominate a slate of persons to serve as directors. The members of the governing body of the City of Missouri City shall appoint as directors the slate of persons nominated by the board. (Acts 78th Leg., R.S., Ch. 987, Sec. 10.)

Sec. 3829.053. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 11.)

Sec. 3829.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Teri L. Elliot
2	Linda C. Bell
3	Sabra L. Slade
4	Kelly Howden
5	Nancy W. Porter

(b) Of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2007, and the terms of directors appointed for positions 4 and 5 expire June 1, 2005.

(c) Section 3829.052 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 987, Sec. 26.)

[Sections 3829.055-3829.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3829.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct,

lease, improve, and maintain projects described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a municipality under Chapter 380, Local Government Code. (Acts 78th Leg., R.S., Ch. 987, Secs. 12, 30 (part).)

Sec. 3829.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 15.)

Sec. 3829.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 987, Sec. 13.)

Sec. 3829.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Fort Bend County or the City of Missouri City to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 987, Sec. 14.)

Sec. 3829.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $25,000. (Acts 78th Leg., R.S., Ch. 987, Sec. 24.)

Sec. 3829.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986, as amended, and perform services or provide activities consistent with the furtherance of the purposes of the district. An expenditure of public money for membership in the organization is considered to further the purposes of the district and to be for a public purpose. (Acts 78th Leg., R.S., Ch. 987, Sec. 28.)

Sec. 3829.107. ECONOMIC DEVELOPMENT PROGRAMS. The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services. (Acts 78th Leg., R.S., Ch. 987, Sec. 30 (part).)

[Sections 3829.108-3829.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3829.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 987, Sec. 23.)

Sec. 3829.152. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 17.)

Sec. 3829.153. MAINTENANCE AND OPERATION TAX. (a) If authorized at an election held in accordance with Section 3829.152, the district may impose an annual ad valorem tax on taxable property in the district for the:

(1) maintenance and operation of the district and the improvements constructed or acquired by the district; or

(2) provision of a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 987, Sec. 18.)

Sec. 3829.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose

authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments. (Acts 78th Leg., R.S., Ch. 987, Sec. 19.)

Sec. 3829.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been

filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Fort Bend County; or

(2) at least 25 owners of real property in the district, if more than 25 persons own real property in the district according to the most recent certified tax appraisal roll for Fort Bend County. (Acts 78th Leg., R.S., Ch. 987, Sec. 16.)

Sec. 3829.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 987, Sec. 20 (part).)

Sec. 3829.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those

sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 987, Sec. 21.)

Sec. 3829.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 22.)

Sec. 3829.159. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 27.)

[Sections 3829.160-3829.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3829.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 987, Sec. 25.)

CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3830.001. DEFINITIONS

Sec. 3830.002. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

Sec. 3830.003. PURPOSE; DECLARATION OF INTENT

Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3830.005. DISTRICT TERRITORY

Sec. 3830.006. APPLICABILITY OF OTHER LAW

Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3830.008-3830.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3830.051. COMPOSITION; TERMS

Sec. 3830.052. QUALIFICATIONS

Sec. 3830.053. APPOINTMENT OF DIRECTORS

Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT

Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS

Sec. 3830.056. INITIAL DIRECTORS

[Sections 3830.057-3830.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT

Sec. 3830.102. NONPROFIT CORPORATION

Sec. 3830.103. AGREEMENTS; GRANTS

Sec. 3830.104. LAW ENFORCEMENT SERVICES

Sec. 3830.105. COMPETITIVE BIDDING

Sec. 3830.106. ELECTRONIC TRANSMISSIONS

[Sections 3830.107-3830.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY

Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3830.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3830.155. BONDS AND OTHER OBLIGATIONS

[Sections 3830.156-3830.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3830. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3830.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Spring Branch Area Community Improvement District. (Acts 78th Leg., R.S., Ch. 777, Sec. 2.)

Sec. 3830.002. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT. The Spring Branch Area Community Improvement District is a special district created under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 777, Sec. 1(a).)

Sec. 3830.003. 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 chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 20, 2003, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 3.)

Sec. 3830.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.)

Sec. 3830.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 777, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 777, Acts of the 78th Legislature, Regular

Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 777, Sec. 5; New.)

Sec. 3830.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 7(a).)

Sec. 3830.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.)

[Sections 3830.008-3830.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3830.051. COMPOSITION; TERMS. (a) The district is governed by a board of 13 directors appointed under Section 3830.053.

(b) Directors serve staggered terms of four years, with six or seven directors' terms expiring June 1 of each odd-numbered year. (Acts 78th Leg., R.S., Ch. 777, Sec. 10.)

Sec. 3830.052. QUALIFICATIONS. (a) To be qualified to

serve as a director, a person must be at least 18 years old and:

(1) an owner of property subject to assessment by the district;

(2) an owner of a beneficial interest in a trust that owns property subject to assessment by the district; or

(3) an agent, employee, or tenant nominated by a person described in Subdivision (1) or (2).

(b) Section 375.063, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 11.)

Sec. 3830.053. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person. (Acts 78th Leg., R.S., Ch. 777, Sec. 12.)

Sec. 3830.054. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the

board secretary, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(c) A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that same public entity.

(d) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 13.)

Sec. 3830.055. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a) Not later than the 30th day before the date of the first board meeting, written notice must be mailed by certified mail, return receipt requested, to each property owner in the district who could be subject to assessment by the district at the address of the property owner as reflected on the most recent certified tax appraisal roll for Harris County.

(b) The notice under Subsection (a) must include:

(1) a description and definition of the district;

(2) the purpose of the district;

(3) a statement that the district, by action of the board, may charge an assessment for an improvement to be made in the district; and

(4) the time, date, and location of the first board meeting. (Acts 78th Leg., R.S., Ch. 777, Sec. 9.)

Sec. 3830.056. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Ronald Height
2	Glenn Smith
3	Catherine Barchfeld-Alexander
4	Kun C. Youn
5	Jim Jard
6	Al Hartman
7	Johnny H. Baker
8	Patricia A. Maddox
9	Pat Currie
10	Frank Liu
11	Lance H. Davis
12	Larry Levine
13	Everett P. Jackson

(b) Of the initial directors, the terms of directors appointed for positions 1 through 7 expire June 1, 2005, and the terms of directors appointed for positions 8 through 13 expire June 1, 2007.

(c) Section 3830.053 does not apply to this section.

(d) This section expires September 1, 2007. (Acts 78th Leg., R.S., Ch. 777, Sec. 27.)

[Sections 3830.057-3830.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3830.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 15.)

Sec. 3830.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 18.)

Sec. 3830.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any

person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 16.)

Sec. 3830.104. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 777, Sec. 17.)

Sec. 3830.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value greater than $15,000. (Acts 78th Leg., R.S., Ch. 777, Sec. 25.)

Sec. 3830.106. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of the district conduits for:

(1) another person's:

(A) telecommunications network;

(B) fiber-optic cable; or

(C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit. (Acts 78th Leg., R.S., Ch. 777, Sec. 14.)

[Sections 3830.107-3830.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3830.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The board by resolution shall establish the number of directors'

signatures and the procedure required for a disbursement or transfer of the district's money. (Acts 78th Leg., R.S., Ch. 777, Sec. 24.)

Sec. 3830.152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the resolution of the board imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 78th Leg., R.S., Ch. 777, Sec. 20.)

Sec. 3830.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project with assessments or bonds under this chapter

unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition requesting a project financed by assessment must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district that will be subject to the assessment, if more than 50 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

(c) A petition requesting a project financed by bonds must be signed by the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Harris County. (Acts 78th Leg., R.S., Ch. 777, Secs. 19, 23(b).)

Sec. 3830.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable

television or advanced telecommunications services. (Acts 78th Leg., R.S., Ch. 777, Sec. 22.)

Sec. 3830.155. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Secs. 23(a), (c).)

[Sections 3830.156-3830.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3830.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 26.)

CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT DISTRICT

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Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE FINDINGS

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[Sections 3831.006-3831.050 reserved for expansion]

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Sec. 3831.051. GOVERNING BODY

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Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS

Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD

[Sections 3831.061-3831.100 reserved for expansion]

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Sec. 3831.112. SUITS

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Sec. 3831.157. AUDIT

Sec. 3831.158. ASSESSMENTS

Sec. 3831.159. LIABILITIES

Sec. 3831.160. OBLIGATIONS

[Sections 3831.161-3831.200 reserved for expansion]

SUBCHAPTER E. AD VALOREM TAX

Sec. 3831.201. IMPOSITION OF AD VALOREM TAX

Sec. 3831.202. TAX RATE

Sec. 3831.203. TAX ASSESSOR-COLLECTOR

[Sections 3831.204-3831.250 reserved for expansion]

SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION AUTHORITY

Sec. 3831.251. APPLICATION FOR PETITION TO CALL ELECTION

Sec. 3831.252. FORM AND COPIES OF PETITION

Sec. 3831.253. FILING AND VERIFICATION OF PETITION

Sec. 3831.254. ELECTION ORDER

Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION; RESULTS

[Sections 3831.256-3831.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION OF DISTRICT

Sec. 3831.301. DISSOLUTION OF DISTRICT

Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL

Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH CITY

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CHAPTER 3831. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3831.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "City council" means the governing body of the City of Temple.

(3) "Director" means a board member.

(4) "District" means the Temple Health and Bioscience Economic Development District.

(5) "Obligation" means an interest-bearing obligation

issued by the district under this chapter, including a bond, certificate, note, or other evidence of indebtedness.

(6) "Project" means a project established under Section 3831.111 and includes the land, buildings, equipment, facilities, infrastructure, improvements, and other property necessary to accomplish the purposes of the project. (Acts 78th Leg., R.S., Ch. 777, Sec. 2.001.)

Sec. 3831.002. PURPOSE; DECLARATION OF LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Section 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and to accomplish other public purposes stated in this chapter.

(b) This chapter is enabling legislation enacted to further the public purposes under Section 52-a, Article III, Texas Constitution.

(c) The creation of the district is necessary to further the public purpose of improving the economy of this state and of the city of Temple by providing for the development of health and bioscience operations and facilities.

(d) The district serves the public purposes stated in this section. (Acts 78th Leg., R.S., Ch. 777, Sec. 1.001.)

Sec. 3831.003. NATURE OF DISTRICT. The district is a special district and a political subdivision of this state under Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 777, Sec. 2.002.)

Sec. 3831.004. DISTRICT TERRITORY. The district boundaries are coextensive with the boundaries of the city of Temple as the

boundaries of the city are adjusted by the city. (Acts 78th Leg., R.S., Ch. 777, Sec. 3.006(b) (part).)

Sec. 3831.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the legislative findings and purposes stated in this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 1.002(a).)

[Sections 3831.006-3831.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3831.051. GOVERNING BODY. The district is governed by a board of seven directors elected as provided by this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.001.)

Sec. 3831.052. TERMS. Directors serve staggered three-year terms. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.002.)

Sec. 3831.053. DATE OF ELECTIONS. The district shall hold board elections so that:

(1) four directors are elected on the regular election day on which certain members of the city council and the mayor of the City of Temple are elected; and

(2) three directors are elected on the regular election day on which the other members of the city council of the City of Temple are elected. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.003.)

Sec. 3831.054. QUALIFICATIONS. A director:

(1) must be a registered voter of the City of Temple; and

(2) may not:

(A) be an elected official; or

(B) be employed by the district or the City of Temple. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.004.)

Sec. 3831.055. VACANCY. The remaining directors shall fill a vacancy in the office of director for the unexpired term. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.005.)

Sec. 3831.056. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a) As soon as practicable after a director is elected or appointed, the director shall execute a bond for $10,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond must be approved by the board.

(c) The bond and the director's constitutional oath or affirmation of office shall be filed with the district and the district shall retain the bond and the oath or affirmation in the district's records. (Acts 78th Leg., R.S., Ch. 777, Secs. 4.006(a), (b), (d).)

Sec. 3831.057. OFFICERS. (a) The board shall elect from among the directors a presiding officer, a secretary, and any other officers the board considers necessary.

(b) The board by resolution shall establish the powers and duties of the officers, consistent with this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.007.)

Sec. 3831.058. COMPENSATION; EXPENSES. A director serves without compensation but is entitled to reimbursement for actual and necessary expenses approved by the board. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.008.)

Sec. 3831.059. MEETINGS; NOTICE OF MEETINGS. (a) The

board may establish regular meetings to conduct district business and may hold special meetings at other times as necessary.

(b) The board shall provide the notice prepared under Subchapter C, Chapter 551, Government Code, to the City of Temple's secretary. In addition to the requirements imposed by that subchapter on the district, the city shall post the notice at the usual location at which notices of city council meetings are posted. (Acts 78th Leg., R.S., Ch. 777, Sec. 4.009.)

Sec. 3831.060. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The board shall employ any person the board considers necessary to conduct district affairs, including:

(1) engineers;

(2) attorneys;

(3) financial advisors;

(4) economists;

(5) a general manager;

(6) a utility operator;

(7) bookkeepers;

(8) auditors; and

(9) clerical workers.

(b) The board by resolution shall determine the compensation and terms of service of any person employed or hired by the district.

(c) The board may remove any employee.

(d) The board may require an employee to execute a bond payable to the district and conditioned on the faithful performance of the person's duties. (Acts 78th Leg., R.S., Ch. 777, Sec.

4.010.)

[Sections 3831.061-3831.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3831.101. GENERAL POWERS. The district has all powers necessary or convenient to carry out and effect the purposes and provisions of this chapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.001.)

Sec. 3831.102. RULES. The board may adopt rules to govern the district, including rules governing district operations, employees, and property. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.002.)

Sec. 3831.103. DISTRICT OFFICE. The board shall designate and establish a district office in the city of Temple. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.003.)

Sec. 3831.104. PROPERTY. The district may exercise any type of property right, including the power to acquire, sell, or lease as lessee or lessor, regarding any type of property interest in the district or for use in the district under terms determined by the board. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.004.)

Sec. 3831.105. AGREEMENTS. The district may make an agreement with any person for any district purpose, including a contract to manage or maintain a district project. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.005 (part).)

Sec. 3831.106. GIFTS, GRANTS, AND LOANS. The district may accept a gift, grant, or loan from any person for any district purpose. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.005 (part).)

Sec. 3831.107. COMPETITIVE BIDDING. (a) Except as

provided by Subsection (b), Section 375.221, Local Government Code, applies to the district.

(b) Section 375.221, Local Government Code, does not apply to a contract between the district and:

(1) another governmental entity;

(2) a nonprofit corporation, including a scientific research corporation; or

(3) a corporation created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes). (Acts 78th Leg., R.S., Ch. 777, Sec. 5.006.)

Sec. 3831.108. RELATION TO OTHER LAW ON CONTRACTS. This chapter states the procedures necessary to award contracts and supersedes any law or other requirement otherwise applicable to the district regarding the award of contracts. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.007.)

Sec. 3831.109. FEES FOR USE OF DISTRICT IMPROVEMENTS. The district may establish and maintain reasonable and nondiscriminatory rates, fares, charges, rents, or other fees or compensation for the use of the improvements constructed, operated, or maintained by the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.008.)

Sec. 3831.110. PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to:

(1) promote state or local economic development; and

(2) stimulate business and commercial activity in the district that relates to a project.

(b) As part of a program, the district may:

(1) make loans or grants of public money for a public purpose as provided by Section 52-a, Article III, Texas Constitution; or

(2) provide district personnel and services for the program.

(c) The district may contract with any person to administer a program established under this section. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.009.)

Sec. 3831.111. PROJECTS. (a) The district may establish projects for:

(1) bioscience and health products, including projects related to:

(A) research and development;

(B) invention and discovery;

(C) commercialization;

(D) production and manufacturing of goods and products, including projects for manufacturing facilities; and

(E) development of production process and delivery system purposes in, involved in, based on, or related to, or intended to advance the state of knowledge, skill, and understanding of, the biosciences, including:

(i) wet laboratories;

(ii) clean rooms;

(iii) dry laboratories;

(iv) research and development facilities;

(v) genetics facilities and equipment;

(vi) pharmaceutical facilities and

equipment;

(vii) biotechnology incubators;

(viii) bioscience and biotechnology health care facilities;

(ix) biotechnology facilities;

(x) bioscience facilities; and

(xi) other similar projects;

(2) bioscience education, including projects for health or biotechnology education facilities, regardless of any affiliation with other institutions of higher, vocational, or job training education;

(3) access to public safety facilities and equipment;

(4) streets and roads;

(5) drainage services;

(6) wastewater services;

(7) potable water services;

(8) telecommunication facilities;

(9) demolition of existing structures;

(10) development and institution of water conservation programs;

(11) chilled water services;

(12) steam services;

(13) industrial gases services;

(14) other utility and process and production services; or

(15) the support of any other type of health or bioscience projects.

(b) A project must be related to the bioscience or health purposes of the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.010.)

Sec. 3831.112. SUITS. (a) The district may sue and be sued.

(b) Service of process in a suit may be made by serving any two directors.

(c) The district may not be required to give security for costs and may appeal from a judgment without giving a supersedeas bond or cost bond. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.011.)

Sec. 3831.113. SEAL. The district may adopt a seal. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.012.)

Sec. 3831.114. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation, including a scientific corporation, under the Business Organizations Code. The nonprofit corporation shall assist and act for the district in implementing a project or providing a service authorized by this chapter.

(a-1) On or before December 31, 2009, the board by resolution may authorize the creation of a nonprofit corporation, including a scientific corporation, under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or the Business Organizations Code, as applicable. The nonprofit corporation shall assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board may appoint a director of the district's board to serve as a director of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

(d) This subsection and Subsection (a-1) expire December 31, 2009. (Acts 78th Leg., R.S., Ch. 777, Sec. 5.013.)

[Sections 3831.115-3831.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3831.151. USE OF DISTRICT MONEY. The district may use district money for any district purpose, including:

(1) to pay for projects; and

(2) to pay district obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.001.)

Sec. 3831.152. INVESTMENTS. (a) The district may invest money the district receives under this chapter.

(b) The district may hire a person to invest district money on terms the board considers advisable. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.002.)

Sec. 3831.153. DISBURSEMENTS OR TRANSFERS OF MONEY. The

board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.003.)

Sec. 3831.154. DEPOSITORY INSTITUTION. The district may select one or more financial institutions to serve as a depository bank for the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.004.)

Sec. 3831.155. ACCOUNTS; FISCAL YEAR. (a) The district may establish an accounting system for the district for each year.

(b) The district may establish a fiscal year for the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.005.)

Sec. 3831.156. PROJECT FUND. (a) The district by resolution shall establish a project fund.

(b) The district may establish separate accounts in the project fund.

(c) The district shall deposit into the project fund all money acquired or received by the district, including:

(1) the proceeds from an ad valorem tax imposed by the district; and

(2) revenue from the sale of district obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.006.)

Sec. 3831.157. AUDIT. (a) The district shall enter into a written contract with an independent certified public accountant or a certified public accounting firm for an annual audit of the district's affairs and financial records.

(b) The district shall make the audit available for inspection by the public and the City of Temple. (Acts 78th Leg.,

R.S., Ch. 777, Sec. 6.007.)

Sec. 3831.158. ASSESSMENTS. The district may impose an assessment on property in the district, including an assessment on a leasehold interest, by agreement with the property owner. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.008.)

Sec. 3831.159. LIABILITIES. The district may incur liabilities, including a liability incurred by:

(1) borrowing money on terms the board determines; and

(2) issuing obligations under Section 3831.160. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.009.)

Sec. 3831.160. OBLIGATIONS. (a) The district may issue obligations, including revenue bonds, to pay the costs of a project in the district.

(b) In exercising the district's borrowing power, the district may issue an obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 777, Sec. 6.010.)

[Sections 3831.161-3831.200 reserved for expansion]

SUBCHAPTER E. AD VALOREM TAX

Sec. 3831.201. IMPOSITION OF AD VALOREM TAX. If authorized at an election held under Section 3831.255, the district:

(1) may by order impose an annual ad valorem tax on taxable property in the district to pay for projects; and

(2) shall by order impose an ad valorem tax to pay for obligations that are payable wholly or partly from ad valorem

taxes. (Acts 78th Leg., R.S., Ch. 777, Sec. 7.001.)

Sec. 3831.202. TAX RATE. (a) The board shall determine the tax rate.

(b) The tax rate may not exceed 15 cents per $100 of assessed valuation of taxable property in the district. (Acts 78th Leg., R.S., Ch. 777, Sec. 7.002.)

Sec. 3831.203. TAX ASSESSOR-COLLECTOR. The board may:

(1) appoint a district tax assessor-collector; or

(2) contract for the assessment and collection of taxes as provided by the Tax Code. (Acts 78th Leg., R.S., Ch. 777, Sec. 7.003.)

[Sections 3831.204-3831.250 reserved for expansion]

SUBCHAPTER F. ELECTION TO ALLOW TAXING OR RELATED OBLIGATION AUTHORITY

Sec. 3831.251. APPLICATION FOR PETITION TO CALL ELECTION. (a) If 10 or more registered voters of the city of Temple file a written application with the city for a petition to authorize the district to impose an ad valorem tax, the city shall issue to the applicants a petition to be circulated among the registered voters of the city for the signatures of voters who want to authorize the district to impose an ad valorem tax.

(b) At the request of petitioners under this section, a petition for a local option election to determine whether the district may impose an ad valorem tax may also provide that at the same election the district shall be authorized to issue obligations payable wholly or partly from that ad valorem tax as permitted under Section 3831.160.

(c) The application for the petition must be titled: "Application for Local Option Election Petition to Enable the Temple Health and Bioscience Economic Development District to Impose an Ad Valorem Tax not to Exceed 15 Cents per $100 Valuation of all Taxable Property in the District."

(d) The application must contain a statement just before the signatures of the applicants that reads substantially as follows: "The petitioners whose signatures appear on this petition intend that the Temple Health and Bioscience Economic Development District be enabled to impose an ad valorem tax not to exceed 15 cents per $100 valuation of all taxable property in the district."

(e) If the petition also seeks an election to authorize the issuance of obligations by the district payable wholly or partly from ad valorem taxes, the statement: "and to Issue Bonds Payable in Whole or in Part from the Ad Valorem Tax" must be appended to the title specified by Subsection (c). (Acts 78th Leg., R.S., Ch. 777, Secs. 3.001(b), (c), 3.002(c).)

Sec. 3831.252. FORM AND COPIES OF PETITION. (a) Each petition issued under Section 3831.251 must show the date it is issued by the City of Temple and be serially numbered. Each page of the petition must bear the same date and serial number.

(b) The City of Temple shall supply as many copies of the petition as required by the applicants but not to exceed more than one page of the petition for every 10 registered voters in the city. Each copy shall bear the date, number, and seal on each page as required on the original petition.

(c) The City of Temple shall keep a copy of each petition and

a record of the applicants for that petition. (Acts 78th Leg., R.S., Ch. 777, Secs. 3.002(d), 3.003.)

Sec. 3831.253. FILING AND VERIFICATION OF PETITION. (a) The applicants requesting a petition under Section 3831.251 may file a request with the City of Temple for the petition to be verified. The applicants must file the request not later than the 120th day after the date the petition is issued by the City of Temple.

(b) If the applicants file a request for verification of the petition, the City of Temple shall examine the names of the signers of petitions and determine whether the signers of the petition were registered voters of the city at the time the petition was issued.

(c) The City of Temple shall certify to the city council the number of registered voters signing the petition not later than the 15th day after the date the request for verification was filed.

(d) A signature may not be counted under this section if there is good reason to believe that:

(1) the signature is not the actual signature of the purported signer;

(2) the voter registration certificate number is not correct;

(3) the signature duplicates a name or the handwriting used in any other signature on the petition; or

(4) the signer's residence address cannot be verified. (Acts 78th Leg., R.S., Ch. 777, Sec. 3.004.)

Sec. 3831.254. ELECTION ORDER. (a) Not later than the date of the second regular session of the city council convened

after a petition has been verified under Section 3831.253, the city council shall order an election to be held in the district on the proposition stated in the petition if the petition contains:

(1) the signatures of a number of registered voters of the city of Temple equal to at least 10 percent of the registered voters of the city who voted in the most recent general election in the city;

(2) a notation showing the residence address of each signer;

(3) each signer's voter registration certificate number; and

(4) each signer's printed name.

(b) The following shall be entered in the city council minutes:

(1) the dates a petition is presented to and verified by the City of Temple;

(2) the names of the signers; and

(3) the action taken on the petition.

(c) The order issued under Subsection (a) must state that the district's boundaries are coextensive with the boundaries of the city of Temple and that the election will be held within those boundaries. (Acts 78th Leg., R.S., Ch. 777, Secs. 3.005, 3.006(b).)

Sec. 3831.255. NOTICE AND CONDUCT OF ELECTION; RESULTS. (a) The city council shall give notice of an election ordered under Section 3831.254 by publishing a substantial copy of the election order once a week for two consecutive weeks in a

newspaper with general circulation in the city of Temple.

(b) The first publication of the notice must appear before the 14th day before the date set for the election. If the election order includes the issue of whether the district may issue obligations, the first publication of the notice must appear before the 31st day before the date set for the election.

(c) The ballot for an election held under this section must be printed to permit voting for or against the following proposition, as appropriate according to the verified petition:

(1) "Authorizing the imposition of an ad valorem tax not to exceed the rate of 15 cents per $100 valuation of all taxable property in the district"; or

(2) "Authorizing the imposition of an ad valorem tax not to exceed the rate of 15 cents per $100 valuation of all taxable property in the district and to issue bonds payable in whole or in part from the ad valorem tax."

(d) The district may impose the tax if a majority of the district voters voting at the election favor the proposition stated in Subsection (c)(1) or (2). The district may issue obligations payable wholly or partly from ad valorem taxes if a majority of the district voters voting at the election favor the proposition stated in Subsection (c)(2).

(e) If a majority of the district voters voting at the election vote against the proposition, another election on the proposition may not be held before the first anniversary of the date of the most recent election concerning the proposition.

(f) The City of Temple shall hold an election provided under

this section on the earliest uniform election date under Section 41.001, Election Code, that occurs after the city council adopts the order calling the election. (Acts 78th Leg., R.S., Ch. 777, Secs. 3.006(a), (c) (part), (d) (part), (e) (part), (f).)

[Sections 3831.256-3831.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION OF DISTRICT

Sec. 3831.301. DISSOLUTION OF DISTRICT. The district may be dissolved only as provided by this subchapter. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.001.)

Sec. 3831.302. DISSOLUTION BY ORDER OF CITY COUNCIL. (a) The board may petition the city council to dissolve the district if the board finds that the district:

(1) has not issued obligations under Section 3831.160 and that the purposes of the district are impracticable, or reasonably and economically cannot be successful or accomplished; or

(2) has paid, or otherwise provided for payment of, all obligations issued under Section 3831.160 and that the district purposes have been accomplished.

(b) On receipt of the petition, the city council shall hold a public hearing to determine whether the dissolution of the district serves the best interests of the City of Temple and of the residents of the city.

(c) After the hearing, the city council shall:

(1) enter in the council records the appropriate findings and an order dissolving the district if the city council unanimously determines that the best interests of the City of

Temple and of the residents of the city will be served by dissolving the district; or

(2) enter an order providing that the district is not dissolved if the city council does not unanimously determine that the best interests of the City of Temple and of the residents of the city will be served by dissolving the district.

(d) On dissolution of the district under this section:

(1) all money and other property of the district are transferred to the City of Temple; and

(2) the City of Temple shall assume any remaining district contracts or other district obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.002.)

Sec. 3831.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH CITY. (a) The district may be dissolved by agreement between the city council and the board.

(b) On dissolution of the district under this section:

(1) all money and other property of the district are transferred to the City of Temple; and

(2) the City of Temple shall assume the district's responsibilities regarding all district contracts, debts, and obligations. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.003.)

Sec. 3831.304. EFFECT OF DISSOLUTION ON TAXES. On dissolution of the district, any taxes imposed by the district are abolished. (Acts 78th Leg., R.S., Ch. 777, Sec. 8.004.)

CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3832.001. DEFINITIONS

Sec. 3832.002. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

Sec. 3832.003. PURPOSE; DECLARATION OF INTENT

Sec. 3832.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3832.005. DISTRICT TERRITORY

Sec. 3832.006. LIBERAL CONSTRUCTION OF CHAPTER

Sec. 3832.007. EFFECT ON BROOKSHIRE-KATY DRAINAGE DISTRICT

[Sections 3832.008-3832.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3832.051. COMPOSITION; TERMS

Sec. 3832.052. QUALIFICATIONS

Sec. 3832.053. ELECTION DATE

Sec. 3832.054. INITIAL DIRECTORS

[Sections 3832.055-3832.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3832.101. POWERS OF DISTRICT

Sec. 3832.102. AGREEMENTS; GRANTS

Sec. 3832.103. LAW ENFORCEMENT SERVICES

Sec. 3832.104. UTILITIES

[Sections 3832.105-3832.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3832.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3832.153. MAINTENANCE AND OPERATION TAX

Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3832.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3832.156. BONDS AND OTHER OBLIGATIONS

CHAPTER 3832. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3832.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means Waller County Road Improvement District No. 1. (Acts 78th Leg., R.S., Ch. 1157, Sec. 3.)

Sec. 3832.002. WALLER COUNTY ROAD IMPROVEMENT DISTRICT NO. 1. Waller County Road Improvement District No. 1 is a special district created under Section 52, Article III, and Section 59, Article XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 1157, Sec. 1(a).)

Sec. 3832.003. 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 chapter.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district. (Acts 78th Leg., R.S., Ch. 1157, Sec. 2.)

Sec. 3832.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of development and diversification of the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and

developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests, as well as the public. (Acts 78th Leg., R.S., Ch. 1157, Sec. 6.)

Sec. 3832.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 1157, Acts of the 78th Legislature, Regular Session, 2003, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 4, Chapter 1157, Acts of the 78th Legislature, Regular Session, 2003, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation. (Acts 78th Leg., R.S., Ch. 1157, Sec. 5; New.)

Sec. 3832.006. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes set forth in this chapter. (Acts 78th Leg., R.S., Ch. 1157, Sec. 8(a).)

Sec. 3832.007. EFFECT ON BROOKSHIRE-KATY DRAINAGE DISTRICT. The powers granted by this chapter do not affect the powers of the Brookshire-Katy Drainage District of Waller County. (Acts 78th Leg., R.S., Ch. 1157, Sec. 11(b).)

[Sections 3832.008-3832.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3832.051. COMPOSITION; TERMS. The district is governed by a board of five elected directors. Directors serve staggered terms of four years. (Acts 78th Leg., R.S., Ch. 1157, Sec. 9(a).)

Sec. 3832.052. QUALIFICATIONS. (a) A person must meet the qualifications of Section 375.063, Local Government Code, to serve as a district director.

(b) Section 49.052, Water Code, does not apply to district directors. (Acts 78th Leg., R.S., Ch. 1157, Sec. 10.)

Sec. 3832.053. ELECTION DATE. Elections for directors shall be held on the uniform election date in May in even-numbered years. (Acts 78th Leg., R.S., Ch. 1157, Sec. 9(b).)

Sec. 3832.054. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

(1) Julie Magness;

(2) Craig Artze;

(3) Julie Crum;

(4) Gary Tankersley; and

(5) Jennifer Kramer.

(b) Of the initial directors, the terms of the first three directors named in Subsection (a) expire on June 1, 2006, and the terms of the last two directors named in Subsection (a) expire on June 1, 2004.

(c) On the uniform election date in May 2004, the board shall hold an election for the directors whose terms expire on June 1, 2004. On the uniform election date in May 2006, the board shall hold an election for the directors whose terms expire on June 1, 2006.

(d) This section expires September 1, 2006. (Acts 78th Leg., R.S., Ch. 1157, Sec. 19.)

[Sections 3832.055-3832.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3832.101. POWERS OF DISTRICT. The district has all powers provided by the general laws on road districts and road utility districts created under Section 52, Article III, Texas Constitution, and conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution, including:

(1) Chapters 257 and 441, Transportation Code;

(2) Chapter 375, Local Government Code; and

(3) Chapters 49 and 54, Water Code. (Acts 78th Leg., R.S., Ch. 1157, Sec. 11(a).)

Sec. 3832.102. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Acts 78th Leg., R.S., Ch. 1157, Sec. 12.)

Sec. 3832.103. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a municipality or county to provide law enforcement services in the district for a fee. (Acts 78th Leg., R.S., Ch. 1157, Sec. 13.)

Sec. 3832.104. UTILITIES. (a) The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable operator as defined by 47 U.S.C. Section 522, as amended.

(b) The district shall bear the sole expense of the relocation, rerouting, or removal of electric, gas, water, sewer, communications, or other public utilities as required or requested by the district in the exercise of its powers under this chapter. (Acts 78th Leg., R.S., Ch. 1157, Sec. 20.)

[Sections 3832.105-3832.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3832.151. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for:

(1) any district purpose, including the payment of debt or other contractual obligations; or

(2) the payment of maintenance and operating expenses. (Acts 78th Leg., R.S., Ch. 1157, Sec. 14.)

Sec. 3832.152. ELECTIONS REGARDING TAXES OR BONDS. (a) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one purpose in a single proposition at an election. (Acts 78th Leg., R.S., Ch. 1157, Sec. 15.)

Sec. 3832.153. MAINTENANCE AND OPERATION TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district, including improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Acts 78th Leg., R.S., Ch. 1157, Sec. 16.)

Sec. 3832.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose

authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceeding.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 78th Leg., R.S., Ch. 1157, Secs. 17(a), (c), (d).)

Sec. 3832.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project through an assessment under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment

according to the most recent certified tax appraisal roll for the county in which the property is located; or

(2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located. (Acts 78th Leg., R.S., Ch. 1157, Sec. 17(b).)

Sec. 3832.156. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. (Acts 78th Leg., R.S., Ch. 1157, Sec. 18.)

SECTION 1.04. Subtitle B, Title 5, Special District Local Laws Code, is amended by adding Chapter 5201 to read as follows:

CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5201.001. DEFINITION

Sec. 5201.002. NATURE OF DISTRICT

Sec. 5201.003. LEGISLATIVE FINDINGS

Sec. 5201.004. DISTRICT TERRITORY

Sec. 5201.005. GENERAL POWER OF DISTRICT

Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW

[Sections 5201.007-5201.050 reserved for expansion]

SUBCHAPTER B. BONDS

Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS

Sec. 5201.052. USE OF BOND PROCEEDS LIMITED

Sec. 5201.053. SECURITY FOR BONDS

Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS

Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS

Sec. 5201.056. MATURITY

[Sections 5201.057-5201.100 reserved for expansion]

SUBCHAPTER C. TAXES

Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX

CHAPTER 5201. GALVESTON COUNTY ROAD DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5201.001. DEFINITION. In this chapter, "district" means Galveston County Road District No. 1. (New.)

Sec. 5201.002. NATURE OF DISTRICT. (a) Galveston County Road District No. 1 is a defined road district created under Section 52, Article III, Texas Constitution, to:

(1) construct, maintain, or operate macadamized, graveled, or paved roads and turnpikes; or

(2) aid an activity described by Subdivision (1).

(b) The district is a body corporate and a taxing district under the constitution and laws of this state. (Acts 55th Leg., R.S., Ch. 66, Sec. 1.)

Sec. 5201.003. LEGISLATIVE FINDINGS. The legislature finds

that all land and other property in the district will benefit from:

(1) the creation of the district; and

(2) the construction, acquisition, and maintenance of the improvements and facilities authorized by this chapter. (Acts 55th Leg., R.S., Ch. 66, Secs. 6 (part), 10.)

Sec. 5201.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, as that territory may have been modified under other law.

(b) The Commissioners Court of Galveston County may redefine the boundaries of the district contained in Section 2, Chapter 66, Acts of the 55th Legislature, Regular Session, 1957, to correct any error or omission in those boundaries. (Acts 55th Leg., R.S., Ch. 66, Sec. 3; New.)

Sec. 5201.005. GENERAL POWER OF DISTRICT. (a) In this section, "road facility" means:

(1) a causeway, bridge, or tunnel;

(2) an immediate approach or a necessary fixture, accessory, or equipment for a facility described by Subdivision (1); or

(3) any combination of those facilities described by Subdivision (1) or (2).

(b) The district may construct, acquire, improve, operate, or maintain a road facility:

(1) in the district;

(2) from a point in the district to a point outside of the district in Galveston County; or

(3) from a point in the district in, over, through, or under the Gulf of Mexico or a bay or inlet opening into the gulf to a point outside of the district and located in another county. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

Sec. 5201.006. APPLICABILITY OF CERTAIN OTHER LAW. (a) To the extent it can be made applicable, Chapter 284, Transportation Code, applies to:

(1) the issuance of bonds under this chapter; and

(2) the operation and maintenance of a road facility constructed, acquired, or improved as provided by Section 5201.005.

(b) The district has all the rights, powers, and duties over a road facility authorized by Section 5201.005 as are granted to or imposed on a county by Chapter 284, Transportation Code. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

[Sections 5201.007-5201.050 reserved for expansion]

SUBCHAPTER B. BONDS

Sec. 5201.051. GENERAL AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds to:

(1) construct, maintain, and operate macadamized, graveled, or paved roads and turnpikes; and

(2) aid an activity described by Subdivision (1).

(b) The Commissioners Court of Galveston County may issue bonds for the district in the same manner as provided by general law for road district bonds. (Acts 55th Leg., R.S., Ch. 66, Secs. 4 (part), 5 (part).)

Sec. 5201.052. USE OF BOND PROCEEDS LIMITED. The proceeds of bonds issued under this chapter may be spent only for the

construction, acquisition, improvement, operation, or maintenance of a road facility as authorized by Section 5201.005. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

Sec. 5201.053. SECURITY FOR BONDS. Bonds issued under this chapter may be secured by:

(1) solely a pledge of revenues, in the manner and to the extent prescribed for a county by Chapter 284, Transportation Code;

(2) a pledge of, and making the bonds payable from, an ad valorem tax authorized by Section 52(b), Article III, Texas Constitution;

(3) designating a portion of the bonds to be secured solely by a pledge of revenues as provided by Subdivision (1) and a portion of the bonds to be secured by a pledge of an ad valorem tax as provided by Subdivision (2); or

(4) a combination of the methods prescribed by Subdivisions (1) and (2) through which all of the bonds are to be supported and secured by a pledge of revenue and ad valorem tax, in the manner and to the extent prescribed for a county by Chapter 284, Transportation Code. (Acts 55th Leg., R.S., Ch. 66, Sec. 5 (part).)

Sec. 5201.054. AUTHORITY TO ISSUE AD VALOREM TAX BONDS. (a) Bonds wholly or partly supported by an ad valorem tax may be issued only if approved by a two-thirds vote of the qualified voters of the district voting at an election held for that purpose.

(b) The district may impose an ad valorem tax to pay bonds issued under this chapter as authorized by Section 52(b), Article III, Texas Constitution.

(c) A hearing is not required on a petition for a bond election under this section. (Acts 55th Leg., R.S., Ch. 66, Secs. 4 (part), 5 (part), 6 (part).)

Sec. 5201.055. AUTHORITY TO ISSUE REVENUE BONDS. The district may issue bonds payable solely from revenue without:

(1) a petition for a bond election; or

(2) an election. (Acts 55th Leg., R.S., Ch. 66, Sec. 6 (part).)

Sec. 5201.056. MATURITY. Bonds issued under this chapter must mature not later than 40 years after their date of issuance. (Acts 55th Leg., R.S., Ch. 66, Secs. 6 (part), 7 (part).)

[Sections 5201.057-5201.100 reserved for expansion]

SUBCHAPTER C. TAXES

Sec. 5201.101. AUTHORITY TO IMPOSE MAINTENANCE TAX. (a) If approved by a two-thirds vote of the qualified voters of the district voting at an election held for that purpose, the Commissioners Court of Galveston County may impose an annual ad valorem tax at a rate not to exceed 20 cents on each $100 valuation of taxable property in the district for the maintenance of the district's improvements and facilities.

(b) An election under Subsection (a):

(1) does not require a petition;

(2) must be held in the same manner prescribed for a bond election; and

(3) may be held at the same time as a bond election.

(c) Subsequent elections may be held on increasing, reducing, or abating a maintenance tax not to exceed the limits

prescribed by Subsection (a). (Acts 55th Leg., R.S., Ch. 66, Sec. 9.)

SECTION 1.05. Subtitle D, Title 6, Special District Local Laws Code, is amended by adding Chapters 7501 and 7502 to read as follows:

CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7501.001. DEFINITION

Sec. 7501.002. NATURE OF DISTRICT

Sec. 7501.003. LEGISLATIVE FINDINGS

Sec. 7501.004. DISTRICT TERRITORY

Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW

[Sections 7501.006-7501.050 reserved for expansion]

SUBCHAPTER B. DISTRICT POWERS

Sec. 7501.051. GENERAL POWERS

CHAPTER 7501. DONNA IRRIGATION DISTRICT, HIDALGO COUNTY NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7501.001. DEFINITION. In this chapter, "district" means the Donna Irrigation District, Hidalgo County No. 1. (New.)

Sec. 7501.002. NATURE OF DISTRICT. (a) The district is a conservation and reclamation district in Hidalgo County, Texas, created under Section 59, Article XVI, Texas Constitution, for all purposes of that section, including:

(1) the reclamation and irrigation of the district's arid, semiarid, and other land that needs irrigation; and

(2) the reclamation and drainage of the district's overflowed land and other land that needs drainage.

(b) The district is a political subdivision of this state. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part); Acts 57th Leg., R.S., Ch. 133, Sec. 1 (part); Acts 57th Leg., R.S., Ch. 247, Sec. 1 (part).)

Sec. 7501.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) the creation of the district as a conservation and reclamation district:

(A) will result in:

(i) material benefits and improvements to district territory; and

(ii) the increase of the taxable value of property in the district;

(B) benefits all property in the district; and

(C) will result in material benefit to that section of the state. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part), 12 (part).)

Sec. 7501.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 26, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930; Section 1, Chapter 108, Acts of the 56th Legislature, Regular Session, 1959; Section 1, Chapter 133, Acts of the 57th Legislature, Regular Session, 1961; and Section 1, Chapter 247, Acts of the 57th Legislature, Regular Session, 1961, as that territory may have been modified under:

(1) Chapter 25, General Laws, Acts of the 39th Legislature, Regular Session, 1925 (Article 7880-1 et seq., Vernon's Texas Civil Statutes), before August 30, 1971;

(2) Chapter 3, General Laws, Acts of the 46th Legislature, Regular Session, 1939 (Article 7775c-1, Vernon's Texas Civil Statutes), before August 30, 1971;

(3) Subchapter O, Chapter 51, Water Code, before December 15, 1978;

(4) Subchapter J, Chapter 49, Water Code, as restricted by Section 7501.005 of this code;

(5) Subchapter N, Chapter 58, Water Code; or

(6) other law. (New.)

Sec. 7501.005. NONAPPLICABILITY OF OTHER LAW. Sections 49.303-49.308 and 58.501-58.509, Water Code, do not apply to the district. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Sec. 1 (part).)

[Sections 7501.006-7501.050 reserved for expansion]

SUBCHAPTER B. DISTRICT POWERS

Sec. 7501.051. GENERAL POWERS. The district has:

(1) the powers of a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, and the general laws of this state; and

(2) the powers of government and the authority to exercise the rights, privileges, and functions that are conferred by this chapter and the general laws of this state. (Acts 41st Leg., 4th C.S., Ch. 26, S.L., Secs. 1 (part), 10 (part).)

CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY OF COMANCHE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7502.001. DEFINITIONS

Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL SUBDIVISION

Sec. 7502.003. LEGISLATIVE FINDINGS

Sec. 7502.004. AUTHORITY BOUNDARIES

[Sections 7502.005-7502.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7502.051. COMPOSITION

Sec. 7502.052. QUALIFICATIONS

Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION; TERM

Sec. 7502.054. RECOMMENDATION BY LANDOWNERS

Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING REJECTION BY COMMISSION

Sec. 7502.056. VACANCIES

Sec. 7502.057. COMPENSATION

Sec. 7502.058. REGULAR BOARD MEETINGS

[Sections 7502.059-7502.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES

Sec. 7502.102. GENERAL POWERS OF BOARD

Sec. 7502.103. AWARD OF CERTAIN CONTRACTS

Sec. 7502.104. EXCLUSION OF LAND

Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE

[Sections 7502.106-7502.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS DISTRICT

Sec. 7502.152. AD VALOREM TAXES PROHIBITED

Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES

[Sections 7502.154-7502.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS

Sec. 7502.202. PURPOSE OF BONDS

Sec. 7502.203. SECURITY FOR REVENUE BONDS

Sec. 7502.204. MATURITY OF BONDS

Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON BONDS

Sec. 7502.206. VALIDATION OF BONDS

CHAPTER 7502. LAKE PROCTOR IRRIGATION AUTHORITY OF COMANCHE COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7502.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Lake Proctor Irrigation Authority of Comanche County, Texas.

(2) "Board" means the board of directors of the authority.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "Director" means a member of the board. (Acts 71st Leg., R.S., Ch. 522, Sec. 1 (part); New.)

Sec. 7502.002. NATURE OF AUTHORITY; POLITICAL SUBDIVISION.

The Lake Proctor Irrigation Authority of Comanche County, Texas, is:

(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and

(2) a political subdivision of this state. (Acts 71st Leg., R.S., Ch. 522, Sec. 1 (part).)

Sec. 7502.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) this chapter will accomplish the purposes of Section 59, Article XVI, Texas Constitution;

(2) all land and other property included in the authority's boundaries will benefit from the works, projects, and operations of the authority; and

(3) the authority serves a public use and benefit. (Acts 71st Leg., R.S., Ch. 522, Sec. 7 (part).)

Sec. 7502.004. AUTHORITY BOUNDARIES. (a) The authority is composed of the territory described by Section 4(a), Chapter 522, Acts of the 71st Legislature, Regular Session, 1989, as that territory may have been modified under:

(1) Subchapter N, Chapter 58, Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The legislature finds that the boundaries of the authority form a closure. If any mistake exists in the description of the authority's boundaries, the mistake does not affect:

(1) the authority's organization, existence, or validity; or

(2) the exercise of a power, function, or purpose by the authority under this chapter. (Acts 71st Leg., R.S., Ch. 522, Sec. 4(b); New.)

[Sections 7502.005-7502.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7502.051. COMPOSITION. The board consists of five directors. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(a) (part).)

Sec. 7502.052. QUALIFICATIONS. A director must:

(1) be at least 18 years of age; and

(2) own land, or an interest in land in the authority, directly or as an interest in an entity owning that land at the time of the person's appointment as a director. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(a) (part).)

Sec. 7502.053. APPOINTMENT OF DIRECTORS BY COMMISSION; TERM. The commission shall:

(1) appoint a person recommended to the board under Section 7502.054 or 7502.055 for a four-year term; or

(2) reject the person recommended. (Acts 71st Leg., R.S., Ch. 522, Secs. 8(b) (part), (c) (part).)

Sec. 7502.054. RECOMMENDATION BY LANDOWNERS. (a) The board shall seek recommendations from the landowners in the authority for the appointment of directors. The board shall take a recommendation for each director whose term expires in January following the annual board meeting held in odd-numbered years.

(b) To determine a recommendation, the board shall conduct a written poll of the landowners in the authority in attendance at the annual board meeting held in odd-numbered years.

(c) For each recommendation taken, a landowner is entitled to one vote for each acre of land the person owns in the authority. Cumulative voting for recommendations is not permitted.

(d) The board shall submit to the Texas Commission on Environmental Quality the name of the person receiving the most votes for each recommendation taken. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(c) (part).)

Sec. 7502.055. RECOMMENDATION OF DIRECTOR FOLLOWING REJECTION BY COMMISSION. (a) If the commission rejects a recommendation submitted by the board, the board shall hold a special meeting of landowners not later than the 20th day after the date notice of the meeting is mailed to the landowners in the authority.

(b) At the special meeting, the board shall conduct a written poll and submit the results of the poll to the commission in the same manner as the poll conducted at the annual meeting.

(c) The board shall hold subsequent special meetings as needed for the appointment of the appropriate number of directors. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(c) (part).)

Sec. 7502.056. VACANCIES. A vacancy on the board is filled for the remainder of the unexpired term by appointment by:

(1) the remaining directors, if three or more directors remain on the board; or

(2) the Texas Commission on Environmental Quality, if fewer than three directors remain on the board. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(d).)

Sec. 7502.057. COMPENSATION. Unless the board by

resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a fee of $50 for each day spent performing official duties as a director, not to exceed $200 per month. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(f) (part).)

Sec. 7502.058. REGULAR BOARD MEETINGS. The board shall hold regular meetings at least annually. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(g) (part).)

[Sections 7502.059-7502.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7502.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES. The authority has the rights, powers, privileges, functions, and duties provided by general law, including Chapter 58, Water Code, applicable to irrigation districts. (Acts 71st Leg., R.S., Ch. 522, Sec. 2 (part).)

Sec. 7502.102. GENERAL POWERS OF BOARD. The board shall provide for:

(1) the proper execution of all contracts, disbursements, and transfers;

(2) the investment of money; and

(3) the handling of any other matter authorized by the board and recorded in the official minutes of the authority. (Acts 71st Leg., R.S., Ch. 522, Sec. 8(e) (part).)

Sec. 7502.103. AWARD OF CERTAIN CONTRACTS. (a) The authority may award a contract for more than $25,000 for the construction of water system improvements or the purchase of materials and machinery only after publishing notice of the

proposed construction or purchase contract in a newspaper of general circulation in Comanche County.

(b) Notice under Subsection (a) must be published once a week for two consecutive weeks, with the first publication occurring at least 14 days before the date sealed bids are opened. (Acts 71st Leg., R.S., Ch. 522, Sec. 9.)

Sec. 7502.104. EXCLUSION OF LAND. (a) If the authority has no outstanding bonds, the board may exclude land or other property from the authority under Subchapter J, Chapter 49, Water Code.

(b) The board may require a petitioner for exclusion to:

(1) pay the authority:

(A) the fair market value of submains, lateral lines, surface lines, and emitters located on land disannexed from the authority; and

(B) the actual cost of disconnecting submains, lateral lines, surface lines, and emitters located on land disannexed from the authority; and

(2) provide, without charge, an easement across the excluded land if, in the opinion of the board, the easement is necessary for the authority to continue to serve other property in the authority effectively and efficiently.

(c) For purposes of Subsection (b), the fair market value must be determined by an independent appraisal unless the fair market value is mutually agreed on. (Acts 71st Leg., R.S., Ch. 522, Secs. 6(b), (c), 13(a) (part), (b).)

Sec. 7502.105. FAILURE TO REPAIR OR IMPROVE. (a) If the board finds that the failure or refusal of a landowner receiving

water from the authority to make repairs or improvements to any of the landowner's water lines connected to the authority's water system adversely affects the system, the board may:

(1) discontinue service to the land; or

(2) give notice to the landowner that the board will make necessary repairs or improvements and demand payment from the landowner for the costs incurred unless the landowner makes the repairs or improvements not later than the 10th day after the date the landowner receives the notice.

(b) If the board discontinues service to the land, the authority shall immediately give notice to the landowner.

(c) The notice and the 10-day period for the landowner to make repairs or improvements under Subsection (a)(2) does not apply if there is an urgent necessity to make the repairs or improvements immediately to protect and conserve the authority's water supply. (Acts 71st Leg., R.S., Ch. 522, Sec. 14.)

[Sections 7502.106-7502.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7502.151. USE OF BOND PROCEEDS FROM PREVIOUS DISTRICT. The authority may use any bond or bond retirement funds not canceled under Section 3, Chapter 522, Acts of the 71st Legislature, Regular Session, 1989, for any lawful purpose. (Acts 71st Leg., R.S., Ch. 522, Sec. 3 (part).)

Sec. 7502.152. AD VALOREM TAXES PROHIBITED. The authority may not impose an ad valorem tax. (Acts 71st Leg., R.S., Ch. 522, Sec. 3 (part).)

Sec. 7502.153. ASSESSMENTS FOR COSTS AND EXPENSES. (a)

Before October 1 of each year, or as soon after that date as practicable, the board shall:

(1) estimate the total costs and expenses to be incurred by the authority during the ensuing fiscal year for the proper maintenance and operation of the authority's facilities, including any necessary reserves and replacement funds; and

(2) impose assessments to provide money to pay those costs and expenses.

(b) The board, in its discretion, shall determine the costs and expenses that will be paid by:

(1) an assessment on all of the land in the authority on a per acre basis; and

(2) an assessment on a prorated basis on all persons who use or apply to use the authority's water.

(c) The board shall:

(1) determine the time at which payment of an assessment is due;

(2) provide a penalty for late payment;

(3) provide for collection charges and termination of water service for delinquent accounts;

(4) allow an assessment to be paid in periodic installments;

(5) allow a reasonable discount for lump-sum payment of an assessment; and

(6) adopt any other rules regarding assessments and use of the authority's water the board determines necessary for proper and efficient operation and maintenance of the authority's

facilities. (Acts 71st Leg., R.S., Ch. 522, Sec. 11.)

[Sections 7502.154-7502.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 7502.201. AUTHORITY TO ISSUE REVENUE BONDS. The board may issue revenue bonds of the authority. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

Sec. 7502.202. PURPOSE OF BONDS. Bonds sold under this subchapter must be for the purpose of:

(1) constructing improvements, additions, and extensions to the authority's water system and rebuilding, replacing, or protecting the water system as required to provide efficient service;

(2) acquiring necessary sites and easements; and

(3) paying any incidental costs, professional fees, and costs of issuance of the bonds. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

Sec. 7502.203. SECURITY FOR REVENUE BONDS. (a) The principal of and interest on revenue bonds issued under this subchapter and the redemption price of the bonds must be secured by and payable solely from a pledge of all or any part of designated revenue resulting from the operations of the authority's water system.

(b) The board additionally may secure revenue bonds issued under this subchapter by a deed of trust or mortgage lien on all or part of the physical facilities of the authority as provided by Section 54.504, Water Code.

(c) The holders of revenue bonds issued under this

subchapter may not demand payment from money raised or to be raised from taxation. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

Sec. 7502.204. MATURITY OF BONDS. Revenue bonds issued under this subchapter may be issued to mature within 30 years after the date of issuance. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

Sec. 7502.205. CAPITALIZED INTEREST AND DISCOUNT ON BONDS. (a) Capitalized interest on bonds issued under this subchapter may not exceed two years.

(b) A discount on bonds issued under this subchapter may not exceed five percent of the par value of the bonds. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

Sec. 7502.206. VALIDATION OF BONDS. The board may file suit to validate bonds in the manner provided by Section 58.453, Water Code. (Acts 71st Leg., R.S., Ch. 522, Sec. 12(a) (part).)

SECTION 1.06. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapters 8104, 8105, and 8106 to read as follows:

CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8104.001. DEFINITIONS

Sec. 8104.002. NATURE OF AUTHORITY

Sec. 8104.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

Sec. 8104.004. STATE POLICY REGARDING WASTE DISPOSAL

Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT WITH AUTHORITY

Sec. 8104.006. RELATIONSHIP TO GULF COAST WASTE DISPOSAL AUTHORITY

Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS

Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS OF MUNICIPAL UTILITY DISTRICTS

[Sections 8104.009-8104.050 reserved for expansion]

SUBCHAPTER B. DISTRICT TERRITORY

Sec. 8104.051. DISTRICT TERRITORY

Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS

Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING

[Sections 8104.054-8104.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8104.101. COMPOSITION

Sec. 8104.102. ELIGIBILITY TO SERVE

Sec. 8104.103. TERMS

Sec. 8104.104. VACANCIES

Sec. 8104.105. OFFICERS

Sec. 8104.106. DIRECTOR'S BOND

Sec. 8104.107. VOTING REQUIREMENT

Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS

[Sections 8104.109-8104.150 reserved for expansion]

SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

Sec. 8104.151. GENERAL MANAGER

Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER

Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN EMPLOYEES

Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR ADMINISTRATIVE FUNCTIONS

[Sections 8104.155-8104.200 reserved for expansion]

SUBCHAPTER E. POWERS AND DUTIES

Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION

Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND DISTRIBUTION

Sec. 8104.203. WASTE SERVICES

Sec. 8104.204. CONTRACTS

Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT AND DISPOSAL FACILITIES

Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT PREVENTED

Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE CONTRACTS

Sec. 8104.208. COST OF RELOCATING PROPERTY

[Sections 8104.209-8104.250 reserved for expansion]

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8104.251. FISCAL YEAR

Sec. 8104.252. AUTHORITY DEPOSITORY

Sec. 8104.253. INVESTMENT AUTHORITY

Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES

Sec. 8104.255. GRANTS AND ASSISTANCE

Sec. 8104.256. PROPERTY TAX PROHIBITION

[Sections 8104.257-8104.300 reserved for expansion]

SUBCHAPTER G. BONDS AND NOTES

Sec. 8104.301. BORROWING THROUGH BONDS OR NOTES

Sec. 8104.302. REFUNDING BONDS

Sec. 8104.303. FORM OF BONDS; LIABILITY

Sec. 8104.304. MATURITY

Sec. 8104.305. RESOLUTION AND TRUST INDENTURE PROVISIONS

Sec. 8104.306. SECURITY FOR BONDS OR NOTES

Sec. 8104.307. TRUST INDENTURE

Sec. 8104.308. ADDITIONAL SECURITY

Sec. 8104.309. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS OR NOTES

Sec. 8104.310. BONDS AND NOTES EXEMPT FROM TAXATION

Sec. 8104.311. BOND OR NOTE SALE PROCEEDS

Sec. 8104.312. INVESTMENT OF FUNDS AND USE OF PROCEEDS

Sec. 8104.313. APPOINTMENT OF RECEIVER

Sec. 8104.314. ENFORCEMENT

Sec. 8104.315. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BOND OR NOTE HOLDERS

Sec. 8104.316. LIMITATION ON RIGHT OF BOND OR NOTE HOLDERS

CHAPTER 8104. BAYTOWN AREA WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8104.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Baytown Area Water Authority.

(2) "Board" means the authority's board of directors.

(Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part); New.)

Sec. 8104.002. NATURE OF AUTHORITY. The Baytown Area Water

Authority is a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution. (Acts 63rd Leg., R.S., Ch. 600, Sec. 1 (part).)

Sec. 8104.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the authority and land and property that feasibly may be served by the authority will benefit from the works and projects to be accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the authority is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (Acts 63rd Leg., R.S., Ch. 600, Secs. 1 (part), 3.)

Sec. 8104.004. STATE POLICY REGARDING WASTE DISPOSAL. The powers and functions conferred on the authority are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of the state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. A (part).)

Sec. 8104.005. OTHER DISTRICTS REQUIRED TO CONTRACT WITH AUTHORITY. To encourage the policy provided by Section 8104.004 and to prevent wasteful duplication, each conservation and reclamation district that is created in the authority after June

15, 1973, shall contract with the authority to provide facilities and services that the authority is authorized to provide under this chapter if the authority:

(1) has those facilities and services; or

(2) determines it can provide those facilities and services. (Acts 63rd Leg., R.S., Ch. 600, Sec. 9, Subsec. B (part).)

Sec. 8104.006. RELATIONSHIP TO GULF COAST WASTE DISPOSAL AUTHORITY. The rights, powers, privileges, and functions granted to the authority under this chapter are subject to the powers granted to the Gulf Coast Waste Disposal Authority in Chapter 409, Acts of the 61st Legislature, Regular Session, 1969 (Article 7621d-2, Vernon's Texas Civil Statutes), to provide disposal systems. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. E (part).)

Sec. 8104.007. RELATIONSHIP TO OTHER DISTRICTS. This chapter does not prevent the organization of or a change in the boundaries of a conservation and reclamation district in the authority as authorized by Section 52, Article III, or Section 59, Article XVI, Texas Constitution. (Acts 63rd Leg., R.S., Ch. 600, Sec. 9, Subsec. B (part).)

Sec. 8104.008. RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS OF MUNICIPAL UTILITY DISTRICTS. The authority has all of the rights, powers, privileges, and functions provided by the general laws of this state applicable to municipal utility districts, including Chapter 54, Water Code. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. A (part).)

[Sections 8104.009-8104.050 reserved for expansion]

SUBCHAPTER B. DISTRICT TERRITORY

Sec. 8104.051. DISTRICT TERRITORY. (a) The authority is composed of the territory described by Section 4, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Section 8104.052 or 8104.053 or their predecessor statutes, former Sections 7 and 8, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973;

(2) Subchapter H, Chapter 54, Water Code;

(3) Subchapter J, Chapter 49, Water Code; or

(4) other law.

(b) The boundaries and field notes of the authority contained in Section 4, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the authority's organization, existence, or validity;

(2) the authority's right to issue revenue bonds or revenue refunding bonds for a purpose for which the authority is created or to pay the principal of and interest on the bonds; or

(3) the legality or operation of the authority or the board. (Acts 63rd Leg., R.S., Ch. 600, Sec. 2; New.)

Sec. 8104.052. ANNEXATION OF TERRITORY; BONDS. (a) Land may be added or annexed to the authority under Subchapter J, Chapter 49, and Subchapter H, Chapter 54, Water Code:

(1) without the consent of any municipality under

Section 42.042, Local Government Code; and

(2) regardless of whether the authority has issued revenue bonds.

(b) A change in the authority's boundaries under this section does not affect the validity of the authority's bonds. (Acts 63rd Leg., R.S., Ch. 600, Sec. 8.)

Sec. 8104.053. EXCLUSION OF TERRITORY; HEARING. (a) The board is not required to call or hold a hearing on the exclusion of land or other property from the authority.

(b) The board on its own motion may call and hold one or more hearings on the exclusion of land or other property from the authority in the manner provided by general law. (Acts 63rd Leg., R.S., Ch. 600, Sec. 7 (part).)

[Sections 8104.054-8104.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8104.101. COMPOSITION. The authority is governed by a board of five directors appointed by the Baytown City Council. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

Sec. 8104.102. ELIGIBILITY TO SERVE. (a) One director must reside outside the city limits of the city of Baytown but in the authority's boundaries.

(b) A person serving as a director may not serve during the person's term as a member of the Baytown City Council. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

Sec. 8104.103. TERMS. Directors serve staggered terms of two years with the terms of the directors serving Positions 1 and 2 expiring September 1 of each even-numbered year and the terms of the

directors serving Positions 3, 4, and 5 expiring September 1 of each odd-numbered year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

Sec. 8104.104. VACANCIES. The Baytown City Council shall fill any vacancy occurring on the board by appointing a director for the unexpired term. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. A (part).)

Sec. 8104.105. OFFICERS. (a) The board shall elect a president, vice president, secretary, and any other officers the board considers necessary at the board's first meeting:

(1) in September of each year; or

(2) after the annual vacancies are filled as provided by this subchapter and the newly appointed directors are qualified.

(b) When the president is absent or fails or declines to act, the vice president shall perform all duties and exercise all power this chapter or general law gives the president. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

Sec. 8104.106. DIRECTOR'S BOND. (a) A director shall execute a bond for $5,000 conditioned on the faithful performance of the director's duties.

(b) The bond must be recorded in a record kept for that purpose in the authority's office. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. B (part).)

Sec. 8104.107. VOTING REQUIREMENT. The concurrence of a majority of the directors who are present and voting at a board meeting is sufficient for matters relating to the authority's business, including:

(1) letting construction work and related matters; and

(2) purchasing existing facilities. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. E.)

Sec. 8104.108. SIGNATURE FOR BOARD ACTIONS. An order adopted or other action taken at a board meeting at which the president is absent may be signed by:

(1) the vice president; or

(2) the president with board authorization. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. C (part).)

[Sections 8104.109-8104.150 reserved for expansion]

SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

Sec. 8104.151. GENERAL MANAGER. (a) The city manager of the City of Baytown is the authority's general manager.

(b) If the position of city manager is abolished, the chief executive officer of the City of Baytown or the officer's designee is the authority's general manager.

(c) The authority's general manager serves without compensation paid by the board. (Acts 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. A.)

Sec. 8104.152. POWERS AND DUTIES OF GENERAL MANAGER. (a) The general manager is the authority's chief executive officer.

(b) The general manager, under policies established by the board, shall:

(1) administer the board's directives;

(2) keep the authority's records, including minutes of board meetings;

(3) coordinate with state, federal, and local

agencies;

(4) develop plans and programs for the board's approval;

(5) formulate a budget for the authority's fiscal year, as provided by this chapter, subject to the approval of the board and the Baytown City Council;

(6) hire, supervise, train, and discharge the authority's employees;

(7) contract for or retain technical, scientific, legal, fiscal, and other professional services; and

(8) perform other duties assigned by the board.

(c) At the board's direction, the general manager may execute a contract, including a construction contract, the board enters into for the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 10, Subsec. D; Sec. 11, Subsec. B.)

Sec. 8104.153. BOND OF GENERAL MANAGER AND CERTAIN EMPLOYEES. (a) The general manager and each employee of the authority charged with the collection, custody, or payment of the authority's money shall execute a fidelity bond.

(b) The board must approve the form, amount, and surety of each bond.

(c) The authority shall pay the premium on each bond. (Acts 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. C.)

Sec. 8104.154. CONTRACT WITH CITY OF BAYTOWN FOR ADMINISTRATIVE FUNCTIONS. (a) In this section, "administrative functions" has the meaning assigned by Section 791.003, Government Code.

(b) The authority shall offer to enter into an interlocal contract under Chapter 791, Government Code, with the City of Baytown for the performance of administrative functions. (Acts 63rd Leg., R.S., Ch. 600, Sec. 11, Subsec. D.)

[Sections 8104.155-8104.200 reserved for expansion]

SUBCHAPTER E. POWERS AND DUTIES

Sec. 8104.201. WATER SUPPLY AND DISTRIBUTION. The authority may:

(1) acquire surface water or groundwater supplies from sources in or outside of the authority; and

(2) conserve, store, transport, treat, purify, distribute, sell, and deliver surface water or groundwater to a public or private corporation, a political subdivision of this state, or any other person in or outside of the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B (part).)

Sec. 8104.202. FACILITIES FOR WATER TRANSPORTATION AND DISTRIBUTION. (a) The authority may construct, maintain, and operate a canal, lateral, ditch, levee, pipeline, or other facility to transport and distribute water, together with a service road or other facility incidental to or designed for use in connection with transportation and distribution of water, under, along, and across a:

(1) railroad;

(2) railroad right-of-way;

(3) canal;

(4) stream;

(5) pipeline;

(6) utility line;

(7) street or alley in a municipality, subject to reasonable regulation by the municipality; or

(8) public road or highway.

(b) In crossing a facility described by Subsection (a), the authority:

(1) may not impair the use of the facility; and

(2) shall promptly restore the facility to its former condition of usefulness. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13, Subsec. A.)

Sec. 8104.203. WASTE SERVICES. The authority may collect and transport the domestic, industrial, or communal waste of an entity described by Section 8104.201(2), for the purposes provided by Chapter 30, Water Code, or for other purposes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B (part).)

Sec. 8104.204. CONTRACTS. (a) The authority may:

(1) contract with a public or private corporation, a political subdivision of this state, including the City of Baytown, or any other person, on terms the board considers desirable, fair, and advantageous, for the performance of the authority's rights and powers under this chapter; and

(2) contract with another person to transport that person's water.

(b) Before the authority enters into a contract under this section, other than a contract between the authority and the City of Baytown, the Baytown City Council must approve the contract.

(c) The period of a contract under Subsection (a)(1) may not

exceed 40 years. The contract may provide that it continues in effect until bonds issued by the authority to finance the cost of facilities authorized by this chapter and refunding bonds issued in place of those bonds are paid.

(d) Section 402.014, Local Government Code, applies to any contract between the authority and a municipality, including the City of Baytown. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. B (part).)

Sec. 8104.205. CONSENT REQUIRED FOR WASTE TREATMENT AND DISPOSAL FACILITIES. Before acquiring or constructing a waste treatment or disposal facility, the authority must obtain the consent of the:

(1) Gulf Coast Waste Disposal Authority; or

(2) Texas Commission on Environmental Quality, if the consent of the Gulf Coast Waste Disposal Authority is unreasonably withheld or delayed. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. E (part).)

Sec. 8104.206. ACQUISITION OF WATER RIGHTS NOT PREVENTED. This chapter does not prevent the authority from acquiring water rights under any law or permit if the acquisition is approved by order or later permit from the Texas Commission on Environmental Quality. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. D.)

Sec. 8104.207. ELECTION NOT REQUIRED TO APPROVE CONTRACTS. The authority is not required to hold an election to approve a contract with a political subdivision for services described by this chapter. (Acts 63rd Leg., R.S., Ch. 600, Sec. 5, Subsec. C.)

Sec. 8104.208. COST OF RELOCATING PROPERTY. (a) In this

section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the authority, in the exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, a pipeline, or a telephone or telegraph property or facility, the necessary relocation, raising, rerouting, changing the grade of, or alteration of construction shall be accomplished at the sole expense of the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 13, Subsec. B.)

[Sections 8104.209-8104.250 reserved for expansion]

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8104.251. FISCAL YEAR. The authority's fiscal year is from October 1 to September 30, unless the board changes the fiscal year. (Acts 63rd Leg., R.S., Ch. 600, Sec. 14 (part).)

Sec. 8104.252. AUTHORITY DEPOSITORY. (a) With the prior approval of the Baytown City Council, the board shall select one or more banks in this state to act as depository for the authority's money.

(b) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money

shall be secured in the manner provided by law for the security of the City of Baytown's money. (Acts 63rd Leg., R.S., Ch. 600, Sec. 14 (part).)

Sec. 8104.253. INVESTMENT AUTHORITY. The authority may invest:

(1) money held in any sinking fund, reserve fund, or other fund; or

(2) money not required for immediate use or disbursement in the securities as provided by this chapter. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

Sec. 8104.254. RENTS, RATES, FEES, AND CHARGES. (a) The authority may:

(1) set, charge, alter, and collect a reasonable rent, rate, fee, or other charge for the use of a facility or for a service rendered by the authority; and

(2) provide for the imposition of a reasonable penalty for a delinquent rent, rate, fee, or charge.

(b) The authority shall set, charge, alter, and collect rent, rates, fees, and charges in amounts that are sufficient to produce revenue adequate to fulfill an agreement with the holders of bonds or notes issued under this chapter. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

Sec. 8104.255. GRANTS AND ASSISTANCE. The authority may:

(1) apply for, accept, and administer a grant, loan, or other assistance from the United States, this state, or another state to carry out the purpose of this chapter; and

(2) enter into an agreement as provided by the

authority in connection with the grant, loan, or other assistance. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. A (part).)

Sec. 8104.256. PROPERTY TAX PROHIBITION. The authority may not:

(1) impose a tax on real, personal, or mixed property; or

(2) issue a bond or create debt payable directly from ad valorem taxes imposed by the authority. (Acts 63rd Leg., R.S., Ch. 600, Sec. 9, Subsec. A.)

[Sections 8104.257-8104.300 reserved for expansion]

SUBCHAPTER G. BONDS AND NOTES

Sec. 8104.301. BORROWING THROUGH BONDS OR NOTES. (a) After the action is approved by the Baytown City Council, the authority may borrow money to carry out any power granted to the authority by:

(1) issuing and selling revenue bonds or negotiable or nonnegotiable notes payable from and secured by the sources described in this chapter; and

(2) delivering the bonds or notes to the United States or to this state when it is determined by the board to be in the best interest of the authority.

(b) The bonds or notes must be authorized by a board resolution in which a majority of the board's membership concurs.

(c) The board must provide the terms of the bonds or notes and the rights of the holders of the bonds or notes.

(d) The Baytown City Council must approve the bonds or notes before they are issued.

(e) The board is not required to hold an election before

issuing and selling revenue bonds. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsecs. A (part), B (part).)

Sec. 8104.302. REFUNDING BONDS. (a) After the action is approved by the Baytown City Council, the board by resolution may authorize the issuance of refunding bonds or notes to refund outstanding bonds or notes issued under this chapter and their accrued interest.

(b) The authority may:

(1) sell the refunding bonds or notes and use the proceeds to retire the outstanding bonds or notes; or

(2) exchange the refunding bonds or notes for the outstanding bonds or notes.

(c) To the extent the provisions of this chapter relating to original bonds or notes may be made applicable, those provisions apply to:

(1) the issuance of the refunding bonds or notes;

(2) the maturity of the refunding bonds or notes;

(3) the rights of the bondholders; and

(4) the authority's duties regarding refunding bonds or notes.

(d) The authority also may refund bonds or notes under any general law of this state. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. I.)

Sec. 8104.303. FORM OF BONDS; LIABILITY. (a) Bonds or notes, including a coupon attached to a bond or note, issued under this chapter shall:

(1) be signed by the board's president or vice

president; and

(2) be attested by the board's secretary.

(b) A director, a board officer, or a person who executes a bond, note, or coupon for the authority is not liable personally on the bond, note, or coupon by participating in its issuance. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. C (part).)

Sec. 8104.304. MATURITY. Bonds or notes issued under this chapter must mature within 40 years. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. B (part).)

Sec. 8104.305. RESOLUTION AND TRUST INDENTURE PROVISIONS. (a) A board resolution authorizing bonds or notes or a trust indenture securing bonds or notes may contain provisions that:

(1) to secure the payment of the bonds or notes, pledge all or a designated part of the authority's revenue and receipts from the planning, financing, ownership, operation, or leasing of, or otherwise in connection with, a specified facility or asset, or that are otherwise connected to the facility or asset;

(2) to secure the payment of the bonds or notes, pledge all or part of the authority's assets, including an obligation acquired by the authority;

(3) relate to the use and disposition of rents, rates, fees, and other charges made or received by the authority;

(4) pledge to set, charge, alter, and collect rents, rates, fees, or other charges for a designated facility or asset that will produce revenue adequate to:

(A) pay all expenses necessary to operate and maintain the designated facility or asset;

(B) pay the interest on and principal of all bonds or notes issued and payable from the revenues and receipts as the interest and principal become due and payable;

(C) pay all sinking fund, reserve fund, or other fund payments agreed to be made related to any bonds or notes payable out of the revenues and receipts as the payments become due and payable; and

(D) fulfill the terms of an agreement made with:

(i) the bond or note holders; or

(ii) a person on behalf of the bond or note holders;

(5) set aside the reserves or sinking funds and that provide for the regulation and disposition of the reserves or sinking funds;

(6) limit the purpose to which the proceeds from the sale of the bonds or notes may be applied and that pledge the proceeds to secure the payment of the bonds or notes;

(7) limit the issuance of additional bonds and the refunding of outstanding or other bonds or notes;

(8) relate to the acquisition, construction, improvement, operation, extension, enlargement, maintenance, or repair of a facility or asset and the duties of the authority relating to the facility or asset;

(9) relate to the procedure by which the terms of an agreement with the bond or note holders may be amended or abrogated, the amount of bonds or notes the holders of which are required to give consent to, and the manner in which the consent may be given;

(10) limit the amount of money to be spent by the authority for administrative or other expenses;

(11) vest in a trustee or other fiduciary the property, rights, powers, and duties in trust as the authority determines, including the rights, powers, and duties of the trustee appointed by the bond or note holders under this chapter;

(12) abrogate the right of the bond or note holders to appoint a trustee under this chapter or limit the rights, powers, and duties of the trustee;

(13) provide for the management, operation, and control of a specified authority facility or asset by a board of trustees to be named in the resolution or trust indenture and that specify:

(A) the terms of office of the board of trustees;

(B) the powers and duties of the board of trustees;

(C) the manner of exercising those powers and duties;

(D) the appointment of successors; and

(E) all matters relating to the organization and duties of the board of trustees;

(14) govern the issuance of bonds or notes to replace lost, stolen, or mutilated bonds or notes; and

(15) relate to any other matter that affects the security or protection of the:

(A) bonds or notes; or

(B) bond or note holders.

(b) A provision authorized by this section that is contained in the resolution or trust indenture is a part of the agreement with the holders of the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsecs. E, G (part).)

Sec. 8104.306. SECURITY FOR BONDS OR NOTES. (a) Bonds or notes of the authority and the interest on the bonds or notes may be secured by and payable only from the sources authorized by this chapter.

(b) The bonds or notes may be secured by and payable from a pledge of all or part of:

(1) the authority's revenues, receipts, or assets; or

(2) the revenues of one or more past or future leases or other contracts.

(c) A pledge made under this section must be specified:

(1) by the resolution authorizing the bonds or notes; or

(2) by the trust indenture or other instrument securing the bonds or notes.

(d) The lien of the pledge or security instrument is binding against all parties having claims of any kind against the authority, including tort or contract claims, regardless of whether the parties have notice of the lien.

(e) A pledge made under this section may reserve to the authority the right, under conditions the pledge specifies, to issue additional bonds or notes that will be on a parity with or subordinate to the bonds or notes then being issued. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsecs. D (part), O.)

Sec. 8104.307. TRUST INDENTURE. (a) Bonds or notes, including refunding bonds, authorized by this chapter may be additionally secured by a trust indenture under which the trustee may be a bank that has trust powers. The bank may be located in or outside of this state.

(b) Regardless of any mortgage or deed of trust lien or security interest in the facilities or assets, the trust indenture may:

(1) contain any provision prescribed by the authority and the Baytown City Council for the security of the bonds or notes and the preservation of the trust estate;

(2) provide for amendment or modification of the trust indenture;

(3) condition the right to spend authority money or to sell the authority's facilities or assets on approval of a licensed engineer selected as provided by the trust indenture; and

(4) include any other provision to protect and enforce the rights and remedies of the bond or note holders as may be reasonable and proper. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. G (part).)

Sec. 8104.308. ADDITIONAL SECURITY. At the discretion of the authority and the Baytown City Council, bonds or notes issued under this chapter may be secured additionally by a mortgage or a deed of trust lien or security interest on facilities or assets of the authority and all real property, franchises, easements, leases, contracts, and rights appurtenant to the properties that vest in the trustee the power to:

(1) sell the facilities or assets for payment of the debt;

(2) operate the facilities or assets; and

(3) take any other action to secure the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. G (part).)

Sec. 8104.309. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS OR NOTES. (a) If bonds or notes issued under this chapter state that the bonds or notes are secured by a pledge of the revenues and receipts of a lease or other contract made between the authority and a person, a copy of the lease or contract may be submitted to the attorney general with the bonds or notes.

(b) If the attorney general finds that the bonds or notes have been authorized and that the lease or contract has been made in accordance with law, the attorney general shall approve the bonds or notes and the lease or contract. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. J (part).)

Sec. 8104.310. BONDS AND NOTES EXEMPT FROM TAXATION. A bond or note issued under this chapter, the interest on the bond or note, and the profit from the sale of the bond or note are exempt from taxation by this state or a political subdivision of this state. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. N.)

Sec. 8104.311. BOND OR NOTE SALE PROCEEDS. Proceeds from the sale of bonds or notes issued by the authority shall be:

(1) deposited in a depository bank; and

(2) paid out under the terms to which the authority and the purchasers agree. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. B (part).)

Sec. 8104.312. INVESTMENT OF FUNDS AND USE OF PROCEEDS. (a) The authority may direct the investment of money in the funds created by the resolution authorizing bonds or notes or by a trust indenture or other instrument securing bonds or notes issued under this chapter.

(b) The authority may set aside proceeds from the sale of bonds or notes for payment into:

(1) the interest and sinking fund until completion of construction and until adequate revenues and receipts are available from operations to pay principal and interest; or

(2) reserve funds.

(c) The authority may provide, in the resolution authorizing the bonds or notes or in the trust indenture or other instrument, for setting aside the proceeds as described by Subsection (b).

(d) Proceeds from the sale of bonds or notes may be used to pay all expenses of issuing and selling the bonds or notes.

(e) Proceeds from the sale of bonds or notes and money in funds created in connection with the bonds or notes may be invested:

(1) in direct or indirect obligations of or obligations unconditionally guaranteed by the United States maturing in the manner that may be specified by the resolution authorizing the bonds or notes or by the trust indenture or other instrument securing the bonds or notes; or

(2) in bank or trust company certificates of deposit that are secured by the obligations described in Subdivision (1). (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. H.)

Sec. 8104.313. APPOINTMENT OF RECEIVER. (a) The resolution authorizing the issuance of the bonds or notes, or the trust indenture or other instrument securing the bonds or notes, may provide that, on petition of the holders of outstanding bonds or notes, a court may appoint a receiver for the authority:

(1) on default in the payment of the principal of or interest on bonds or notes; or

(2) under the conditions stated in the resolution, trust indenture, or other instrument, on a threatened default in the payment of the principal of or interest on bonds or notes.

(b) The receiver may collect and receive pledged revenues and receipts.

(c) The resolution, trust indenture, or other instrument may limit or qualify the rights of less than all of the holders of outstanding bonds or notes payable from the same source to institute or prosecute litigation affecting the authority's properties or revenues. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. F.)

Sec. 8104.314. ENFORCEMENT. The following may be enforced in a court by mandamus or other appropriate proceeding:

(1) payment of bonds or notes according to the term and tenor;

(2) performance of agreements with the holders of bonds or notes or any person on their behalf; and

(3) performance of official duties prescribed by this chapter in connection with bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. L.)

Sec. 8104.315. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BOND OR NOTE HOLDERS. (a) The state pledges to and agrees with the holders of bonds or notes issued under this chapter that the state will not limit or alter the rights vested in the authority to fulfill the terms of agreements made with the holders that are consistent with this chapter or impair the rights and remedies of the holders until the following are fully discharged:

(1) the bonds or notes;

(2) interest on the bonds or notes;

(3) interest on any unpaid installments of interest; and

(4) all costs and expenses for which the authority is liable related to an action or proceeding by or on behalf of the holders.

(b) The authority may include the state's pledge and agreement under Subsection (a) in an agreement with the holders of the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. P (part).)

Sec. 8104.316. LIMITATION ON RIGHT OF BOND OR NOTE HOLDERS. The purchasers and holders of any bonds or notes may not demand payment from revenues, receipts, or assets of the authority except those pledged to the payment of the bonds or notes. (Acts 63rd Leg., R.S., Ch. 600, Sec. 12, Subsec. P (part).)

CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8105.001. DEFINITION

Sec. 8105.002. NATURE OF DISTRICT

Sec. 8105.003. LEGISLATIVE FINDINGS

Sec. 8105.004. DISTRICT TERRITORY

[Sections 8105.005-8105.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8105.051. DIRECTORS

Sec. 8105.052. ELECTION OF DIRECTORS

[Sections 8105.053-8105.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES

CHAPTER 8105. BEACH ROAD MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8105.001. DEFINITION. In this chapter, "district" means the Beach Road Municipal Utility District. (Acts 73rd Leg., R.S., Ch. 959, Sec. 2.)

Sec. 8105.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Matagorda County created under Section 59, Article XVI, Texas Constitution. (Acts 73rd Leg., R.S., Ch. 959, Secs. 1(a), (b) (part).)

Sec. 8105.003. LEGISLATIVE FINDINGS. (a) The district:

(1) is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution. (Acts 73rd Leg., R.S., Ch. 959, Secs. 1(b) (part),

5.)

Sec. 8105.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993, as that territory may have been modified under:

(1) Subchapter H, Chapter 54, Water Code, before September 1, 1995;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes contained in Section 3, Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the district or its governing body. (Acts 73rd Leg., R.S., Ch. 959, Sec. 4; New.)

[Sections 8105.005-8105.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8105.051. DIRECTORS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

(c) A director must qualify to serve as director in the manner provided by Section 49.055, Water Code. (Acts 73rd Leg., R.S., Ch. 959, Secs. 7(a), (d), (e).)

Sec. 8105.052. ELECTION OF DIRECTORS. On the first

Saturday in May of every even-numbered year, the district shall hold an election in the district to elect the appropriate number of directors. (Acts 73rd Leg., R.S., Ch. 959, Sec. 10.)

[Sections 8105.053-8105.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8105.101. GENERAL RIGHTS, POWERS, PRIVILEGES, FUNCTIONS, AND DUTIES. (a) The district has the rights, powers, privileges, functions, and duties provided by general law, including Chapters 49, 50, and 54, Water Code, applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) The rights, powers, privileges, functions, and duties of the district are subject to the continuing right of supervision by this state exercised by and through the Texas Commission on Environmental Quality. (Acts 73rd Leg., R.S., Ch. 959, Sec. 6; New.)

CHAPTER 8106. BAMMEL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8106.001. DEFINITIONS

Sec. 8106.002. NATURE OF DISTRICT

Sec. 8106.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

Sec. 8106.004. DISTRICT TERRITORY

Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED

[Sections 8106.006-8106.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8106.051. COMPOSITION OF BOARD

Sec. 8106.052. DIRECTOR'S BOND

Sec. 8106.053. BOARD VACANCY

Sec. 8106.054. DISTRICT OFFICE

Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING

[Sections 8106.056-8106.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8106.101. GENERAL POWERS AND DUTIES

Sec. 8106.102. ADDITIONAL POWERS AND DUTIES

Sec. 8106.103. EMINENT DOMAIN

Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY

Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED

Sec. 8106.106. NOTICE OF ELECTION

Sec. 8106.107. DISTRICT RULES

[Sections 8106.108-8106.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8106.151. TAX METHOD

Sec. 8106.152. DISTRICT ACCOUNTS

Sec. 8106.153. COPY OF AUDIT REPORT

Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED

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).)

Sec. 8106.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 357, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 11, 1978;

(2) Subchapter H, Chapter 54, Water Code;

(3) Subchapter J, Chapter 49, Water Code;

(4) this chapter; or

(5) other law.

(b) The boundaries and field notes of the district contained in Section 2, Chapter 357, Acts of the 61st Legislature, Regular Session, 1969 (Article 8280-438, Vernon's Texas Civil Statutes), form a closure. If a mistake is made in the field notes or in copying the field notes in the legislative process, the mistake does not affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or the board. (V.A.C.S. Art. 8280-438, Sec. 3; New.)

Sec. 8106.005. CONFIRMATION ELECTION NOT REQUIRED. It is not necessary for the board to call or hold a confirmation election to confirm the district's creation. (V.A.C.S. Art. 8280-438, Sec. 6.)

[Sections 8106.006-8106.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8106.051. COMPOSITION OF BOARD. The board consists of

five directors. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

Sec. 8106.052. DIRECTOR'S BOND. (a) Each director shall execute a bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The bond must be recorded in a record book kept for that purpose in the district office. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

Sec. 8106.053. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The county judge of the county in which the district is located shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

Sec. 8106.054. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each county in which the district is located; and

(2) publishing notice of the location of the office in

a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to district business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b). (V.A.C.S. Art. 8280-438, Sec. 15.)

Sec. 8106.055. ABSENCE OF PRESIDENT FROM BOARD MEETING. If the board president is absent from a board meeting:

(1) the board vice president may:

(A) sign an order adopted at the meeting; or

(B) implement any other action taken at the meeting; or

(2) the board may authorize the president to sign the order or implement the action. (V.A.C.S. Art. 8280-438, Sec. 10 (part).)

[Sections 8106.056-8106.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8106.101. GENERAL POWERS AND DUTIES. The district has all of the rights, powers, privileges, authority, and functions conferred by the general laws of the state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code. (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

Sec. 8106.102. ADDITIONAL POWERS AND DUTIES. (a) The district may:

(1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:

(A) inside or outside the boundaries of the district; and

(B) necessary to carry out the powers granted by this chapter or general law; or

(2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

(A) the purchase or sale of water;

(B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;

(C) the continuing and orderly development of district land and property through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the lands and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years. (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

Sec. 8106.103. EMINENT DOMAIN. The district may exercise

the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created. (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

Sec. 8106.104. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, the term "sole expense" means the actual cost of the action required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of eminent domain or of another power conferred by this chapter requires relocating, raising, rerouting, or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telegraph or telephone property and facility, or pipeline, the action shall be accomplished at the sole expense of the district. (V.A.C.S. Art. 8280-438, Sec. 13 (part).)

Sec. 8106.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.

(b) The district may pay for an obligation incurred by entering into a contract under this section by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to any of the following parties that enters into a contract with the district

under this section:

(1) the United States;

(2) an agency or instrumentality of the United States;

(3) this state; or

(4) an agency or instrumentality of this state. (V.A.C.S. Art. 8280-438, Sec. 5 (part).)

Sec. 8106.106. NOTICE OF ELECTION. The board president or secretary may give notice of an election. (V.A.C.S. Art. 8280-438, Sec. 19.)

Sec. 8106.107. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district. (V.A.C.S. Art. 8280-438, Sec. 16.)

[Sections 8106.108-8106.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8106.151. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation. (V.A.C.S. Art. 8280-438, Sec. 8.)

Sec. 8106.152. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts. (V.A.C.S. Art. 8280-438, Sec. 14 (part).)

Sec. 8106.153. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be delivered upon request to a holder of at least 25 percent of the

outstanding bonds of the district. (V.A.C.S. Art. 8280-438, Sec. 14 (part).)

Sec. 8106.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED. The district is not required to pay a tax or assessment on:

(1) district property; or

(2) a purchase made by the district. (V.A.C.S. Art. 8280-438, Sec. 24 (part).)

Sec. 8106.155. DIRECTOR AS SHAREHOLDER IN DEPOSITORY. A director may be a shareholder in a depository of district funds. (V.A.C.S. Art. 8280-438, Sec. 14 (part).)

SECTION 1.07. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8802 to read as follows:

CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8802.001. DEFINITIONS

Sec. 8802.002. LEGISLATIVE FINDINGS

Sec. 8802.003. DISTRICT TERRITORY

Sec. 8802.004. EFFECT ON CERTAIN LITIGATION

[Sections 8802.005-8802.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8802.051. DIRECTORS; TERMS

Sec. 8802.052. ELECTION DATE

Sec. 8802.053. SINGLE-MEMBER DISTRICTS.

[Sections 8802.054-8802.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8802.101. GENERAL POWERS AND DUTIES

Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION OF LAND PROHIBITED

Sec. 8802.103. IMPOSITION OF TAXES

Sec. 8802.104. USER FEES

Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED

Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT WELLS

Sec. 8802.107. ENFORCEMENT

Sec. 8802.108. BORROWING MONEY

[Sections 8802.109-8802.150 reserved for expansion]

SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED

Sec. 8802.152. EXCLUSION OF COUNTY AREA

[Sections 8802.153-8802.200 reserved for expansion]

SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED

Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION

CHAPTER 8802. BARTON SPRINGS-EDWARDS AQUIFER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8802.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Barton Springs-Edwards Aquifer Conservation District. (Acts 70th Leg., R.S., Ch. 429, Secs. 1 (part), 2(c)(1) (part).)

Sec. 8802.002. LEGISLATIVE FINDINGS. The legislature

finds that the creation of the district:

(1) is feasible and practicable;

(2) will be a benefit to land in the district; and

(3) will be a public benefit and utility. (Acts 70th Leg., R.S., Ch. 429, Sec. 1 (part).)

Sec. 8802.003. DISTRICT TERRITORY. The district is composed of the territory described by the Texas Water Commission's August 15, 1986, order, as that territory may have been modified under:

(1) Subchapter J, Chapter 36, Water Code; or

(2) other law. (Acts 70th Leg., R.S., Ch. 429, Sec. 1 (part); New.)

Sec. 8802.004. EFFECT ON CERTAIN LITIGATION. This chapter does not adversely affect the rights of any parties involved in litigation on or before February 1, 1987, with the Texas Water Commission or the petitioners for the creation of the district. (Acts 70th Leg., R.S., Ch. 429, Sec. 11.)

[Sections 8802.005-8802.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8802.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors who serve staggered four-year terms.

(b) At least two directors must be elected by voters residing in the city of Austin. (Acts 70th Leg., R.S., Ch. 429, Secs. 2(f)(1) (part), 7(a) (part), (c) (part).)

Sec. 8802.052. ELECTION DATE. An election shall be held to elect the appropriate number of directors on the spring uniform

election date each even-numbered year. (Acts 70th Leg., R.S., Ch. 429, Sec. 7(c) (part).)

Sec. 8802.053. SINGLE-MEMBER DISTRICTS. (a) The district is divided into five numbered, single-member districts for electing directors.

(b) The board may revise the single-member districts as necessary or appropriate.

(c) As soon as practicable after the publication of each federal decennial census, the board shall revise the single-member districts as the board considers appropriate to reflect population changes. When the board revises the single-member districts under this subsection, the board shall place two of the districts:

(1) entirely within the boundaries of the city of Austin, as those boundaries exist at that time; or

(2) within the boundaries of the city of Austin, as those boundaries exist at that time, but also including unincorporated areas or other municipalities that are surrounded wholly or partly by the boundaries of the city of Austin if the areas or municipalities are noncontiguous to the territory of any other single-member district.

(d) Changes in the boundaries of the city of Austin between revisions of the single-member districts under Subsection (c) do not affect the boundaries of the single-member districts.

(e) When the boundaries of the single-member districts are changed, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the

change, is entitled to serve the term or the remainder of the term in the single-member district to which elected or appointed even though the change in boundaries places the person's residence outside the single-member district for which the person was elected or appointed. (Acts 70th Leg., R.S., Ch. 429, Secs. 7(d), (e), (f), (g), (h).)

[Sections 8802.054-8802.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8802.101. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has the powers and duties provided by Chapter 36, Water Code, for groundwater conservation districts. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(a)(1).)

Sec. 8802.102. RULES REGULATING ZONING AND SUBDIVISION OF LAND PROHIBITED. The district may not adopt rules regulating zoning or the subdivision of land. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(a)(2).)

Sec. 8802.103. IMPOSITION OF TAXES. (a) The district may impose an ad valorem tax as provided by Subchapter G, Chapter 36, Water Code, only if:

(1) the user fee authorized by this subchapter is held unconstitutional by the Texas Supreme Court; and

(2) a majority of the voters approve the tax at an election held in the district.

(b) The district may impose the ad valorem tax at a rate not to exceed three cents on each $100 of appraised value. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(b).)

Sec. 8802.104. USER FEES. (a) The board by rule may impose reasonable fees on each well for which the district issues a permit and which is not exempt from regulation by the district.

(b) The board may assess the fees on an annual basis according to:

(1) the size of column pipe used in the well;

(2) the production capacity of the well; or

(3) the actual, authorized, or anticipated pumpage of the well.

(c) The board may use fees as both a regulatory mechanism and a revenue-producing mechanism.

(d) The board shall adopt rules relating to:

(1) the rates of fees;

(2) the manner and form for filing reports of fees; and

(3) the manner of collecting fees.

(e) The district may use money collected from fees to:

(1) manage and operate the district; and

(2) pay all or part of the principal of and interest on district bonds or notes. (Acts 70th Leg., R.S., Ch. 429, Secs. 2(c)(1) (part), (2), (3).)

Sec. 8802.105. CERTAIN WATER USE FEES PERMITTED. Each year the board may assess against the City of Austin a water use fee in an amount not to exceed 40 percent of the total funding of the district received from water use fees assessed against Austin and other nonexempt users in that year. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(f)(2).)

Sec. 8802.106. PRODUCTION CAPACITY OF CERTAIN EXEMPT

WELLS. Notwithstanding the 25,000-gallon production capacity restriction provided by Section 36.117(b)(1), Water Code, a well in the district is exempt under Section 36.117, Water Code, only if the production capacity of the well is 10,000 gallons per day or less. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(d)(1).)

Sec. 8802.107. ENFORCEMENT. (a) If it appears that a person has violated, is violating, or is threatening to violate Chapter 36, Water Code, or a district permit, rule, or order, the district may file a civil suit in a district court of the county in which the violation occurs to obtain:

(1) injunctive relief to restrain the person from continuing the violation;

(2) a civil penalty of not less than $50 or more than $1,000 for each violation and for each day of violation; or

(3) both injunctive relief and a civil penalty.

(b) On application for injunctive relief under Subsection (a)(1) and a finding that a person is violating or threatening to violate this chapter or a district permit, rule, or order, the district court shall grant injunctive relief as the facts may warrant.

(c) Any legal action initiated under this section to obtain penalties must be authorized by a resolution of the board or by the district's general manager, if authorized by the board.

(d) In a civil suit filed under this section, the district:

(1) is not required to post bond or other security; and

(2) may recover reasonable attorney's fees and expert witness's fees.

(e) The remedies provided by this section are in addition to any remedies provided by other law. (Acts 70th Leg., R.S., Ch. 429, Sec. 2(e).)

Sec. 8802.108. BORROWING MONEY. (a) The district may borrow money as provided by Sections 49.152-49.154, Water Code.

(b) The district may not borrow money for a period of more than one year. (Acts 70th Leg., R.S., Ch. 429, Sec. 9.)

[Sections 8802.109-8802.150 reserved for expansion]

SUBCHAPTER D. INCLUSION AND EXCLUSION OF LAND IN DISTRICT

Sec. 8802.151. MUNICIPAL APPROVAL NOT REQUIRED. Approval of inclusion of land in the district that is located in the corporate limits or extraterritorial jurisdiction of a municipality does not require the municipality's approval under Subchapter B, Chapter 42, Local Government Code. (Acts 70th Leg., R.S., Ch. 429, Sec. 3.)

Sec. 8802.152. EXCLUSION OF COUNTY AREA. (a) The residents of any county area of the district, on petition of at least 15 percent of the registered voters in that county area, may request that the board, in conjunction with the next regularly scheduled directors' election, hold a referendum to determine whether to exclude that county area from the district.

(b) The petition must be submitted to the board not later than the 45th day before the date of the election.

(c) The board shall call and add a referendum under this section to the ballot of the May directors' election in the county area.

(d) Exclusion of a county area from the district requires

approval by a majority of the voters voting on the proposition: "The _____ county area of the Barton Springs-Edwards Aquifer Conservation District shall be excluded from the Barton Springs-Edwards Aquifer Conservation District."

(e) The exclusion of any county area from the district is effective on June 1 following approval of the referendum. On and after that date:

(1) the boundaries of the district shall be redefined to exclude the county area;

(2) the imposition and collection of district taxes or user fees in the county area shall cease;

(3) the offices held by any directors elected from the county area shall terminate; and

(4) any other matters provided by law or by agreement with any person affecting the authority and operations of the district shall be automatically redesignated and redefined to be consistent with the exclusion of the county area. (Acts 70th Leg., R.S., Ch. 429, Sec. 10(a).)

[Sections 8802.153-8802.200 reserved for expansion]

SUBCHAPTER E. CONVERSION AND DISSOLUTION OF DISTRICT

Sec. 8802.201. CONVERSION OF DISTRICT PROHIBITED. The district may not be converted to any other type of conservation and reclamation district. (Acts 70th Leg., R.S., Ch. 429, Sec. 8.)

Sec. 8802.202. DISSOLUTION OF DISTRICT; ELECTION. (a) The board shall call a dissolution election if:

(1) the board receives a petition signed by a number of registered voters in the district equal to at least 30 percent of

the voters in the district's most recent election; and

(2) the district has no outstanding bonds or other long-term indebtedness.

(b) The board shall dissolve the district if at least two-thirds of the voters voting in the election vote in favor of dissolving the district. (Acts 70th Leg., R.S., Ch. 429, Sec. 6.)

SECTION 1.08. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapters 9004-9007 to read as follows:

CHAPTER 9004. BACLIFF MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9004.001. DEFINITIONS

Sec. 9004.002. NATURE OF DISTRICT

Sec. 9004.003. LEGISLATIVE DECLARATION AND FINDINGS

Sec. 9004.004. DISTRICT TERRITORY

[Sections 9004.005-9004.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9004.051. GENERAL POWERS AND DUTIES

Sec. 9004.052. TAX METHOD

Sec. 9004.053. LIMITATION ON EMINENT DOMAIN AUTHORITY

Sec. 9004.054. DURATION OF CONTRACT FOR WATER PURCHASE OR SALE

Sec. 9004.055. INSTALLATION OF STREET LIGHTS

CHAPTER 9004. BACLIFF MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9004.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bacliff Municipal Utility District of Galveston County, Texas. (V.A.C.S. Art. 8280-286, Sec. 1 (part); New.)

Sec. 9004.002. NATURE OF DISTRICT. The Bacliff Municipal Utility District of Galveston County, Texas, is:

(1) a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and

(2) a water control and improvement district. (V.A.C.S. Art. 8280-286, Secs. 1 (part), 6 (part).)

Sec. 9004.003. LEGISLATIVE DECLARATION AND FINDINGS. (a) The legislature declares that the district is:

(1) essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) a municipal corporation.

(b) 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 district are benefited by the creation of the district and by the improvements that the district purchases, constructs, or otherwise acquires. (V.A.C.S. Art. 8280-286, Secs. 6 (part), 7.)

Sec. 9004.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 244, Acts of the 58th Legislature, Regular Session, 1963 (Article 8280-286, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Chapter 3A, Title 128, Revised Statutes, before August 30, 1971;

(2) Subchapter O, Chapter 51, Water Code;

(3) Subchapter J, Chapter 49, Water Code; or

(4) other law. (V.A.C.S. Art. 8280-286, Sec. 4; New.)

[Sections 9004.005-9004.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9004.051. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties conferred and imposed by a general law of this state on a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

Sec. 9004.052. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation. (V.A.C.S. Art. 8280-286, Sec. 6 (part).)

Sec. 9004.053. LIMITATION ON EMINENT DOMAIN AUTHORITY. The district may not exercise the power of eminent domain outside the district. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

Sec. 9004.054. DURATION OF CONTRACT FOR WATER PURCHASE OR

SALE. A district contract for the purchase or sale of water may not exceed 40 years. (V.A.C.S. Art. 8280-286, Sec. 2 (part).)

Sec. 9004.055. INSTALLATION OF STREET LIGHTS. (a) On approval by a majority of the voters of the district voting at an election held for that purpose, the district may:

(1) install, operate, and maintain street lighting in a public utility easement or public right-of-way inside the district; and

(2) assess the cost of the installation, operation, and maintenance of the street lighting as an additional charge in the monthly billings of the district's customers.

(b) The district may not use money from taxes or bonds supported by taxes for a purpose described by this section.

(c) This section does not authorize the district to install, operate, or maintain street lighting on a right-of-way that is part of the designated state highway system. (V.A.C.S. Art. 8280-286, Sec. 2A.)

CHAPTER 9005. BELL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9005.001. DEFINITIONS

Sec. 9005.002. FINDING OF BENEFIT

Sec. 9005.003. DISTRICT TERRITORY

Sec. 9005.004. ANNEXATION OF TERRITORY

[Sections 9005.005-9005.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER LAW

Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL FACILITIES OR PROPERTIES

Sec. 9005.053. PURCHASE OR USE OF WATER

[Sections 9005.054-9005.100 reserved for expansion]

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 9005.101. TAX METHOD

Sec. 9005.102. AUTHORITY TO ISSUE BONDS

Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY

CHAPTER 9005. BELL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9005.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bell County Water Control and Improvement District No. 1. (New.)

Sec. 9005.002. FINDING OF BENEFIT. The legislature finds that all property in the district will benefit from the improvements constructed, acquired, leased, or operated by the district. (V.A.C.S. Art. 8280-189, Sec. 3 (part).)

Sec. 9005.003. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 523, Acts of the 54th Legislature, Regular Session, 1955 (Article 8280-189, Vernon's Texas Civil Statutes), as that territory may have been

modified under:

(1) Subchapter J, Chapter 49, Water Code;

(2) Subchapter O, Chapter 51, Water Code, before September 1, 1995;

(3) former Section 4A, Chapter 523, Acts of the 54th Legislature, Regular Session, 1955 (Article 8280-189, Vernon's Texas Civil Statutes); or

(4) other law. (New.)

Sec. 9005.004. ANNEXATION OF TERRITORY. (a) If an election concerning the annexation of territory to the district would result in the district boundaries becoming coterminous with the boundaries of the City of Killeen, the board, in a separate proposition, may submit the question of whether to automatically extend the boundaries of the district to include territory the City of Killeen annexes that is not already included in the district.

(b) Land annexed by the City of Killeen under Subsection (a) is part of the district only after:

(1) the annexed area assumes its pro rata share of all bonds, notes, or other obligations or taxes owed, contracted, or authorized by the district; and

(2) that assumption is approved at an election held in the district as enlarged as a result of the annexation. (V.A.C.S. Art. 8280-189, Sec. 4A (part).)

[Sections 9005.005-9005.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9005.051. GENERAL POWERS; APPLICABILITY OF OTHER LAW. The district has all powers granted to water control and

improvement districts under the general laws of this state. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

Sec. 9005.052. CONTRACTS TO LEASE AND OPERATE FEDERAL FACILITIES OR PROPERTIES. (a) The district may contract with the United States or any officer of the United States to lease or operate a facility or other property owned by the United States, inside or outside the district, to:

(1) supply, transport, and distribute fresh water, including a contract regarding water rights to appropriate and use public waters from the Leon River or Belton Reservoir; and

(2) collect, treat, and dispose of wastewater and sewage, including a contract regarding maintenance, repair, extension, or improvement of the facilities or other property.

(b) The contract provisions must be, as determined by the board, in the district's best interests in providing a water supply and sanitary sewer service for persons who reside in and in the vicinity of the district.

(c) The contract's initial period may not exceed 40 years. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

Sec. 9005.053. PURCHASE OR USE OF WATER. (a) The district may:

(1) acquire a water or a water supply facility inside or outside the district from any person, including:

(A) this state or any agency or subdivision of this state; and

(B) the United States; and

(2) treat, use, distribute, and sell, inside or

outside the district, any water the district acquires.

(b) Before exercising a power under Subsection (a), the board must determine that adequate provisions can be made to continue to serve the water requirements in the district.

(c) The district's powers under this section are under the continuing supervision of the Texas Commission on Environmental Quality under Chapters 5 and 6, Water Code. (V.A.C.S. Art. 8280-189, Sec. 4C.)

[Sections 9005.054-9005.100 reserved for expansion]

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 9005.101. TAX METHOD. The district shall use the ad valorem method of taxation for all authorized taxes. (V.A.C.S. Art. 8280-189, Sec. 3 (part).)

Sec. 9005.102. AUTHORITY TO ISSUE BONDS. (a) In this section, "district property" means the district's improvements, including property operated by the district under a lease.

(b) The district may call a bond election and issue bonds in the manner and for the purposes provided in Chapters 49 and 51, Water Code. In addition to the purposes under those chapters, the district may vote on and issue bonds to:

(1) acquire materials, supplies, equipment, and other property needed or useful to maintain district property; and

(2) extend, enlarge, improve, or repair district property.

(c) If bonds are voted on and issued in connection with property to be operated by the district under lease, the engineer's report must include a summary of the proposed expenditures of the

bond proceeds. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

Sec. 9005.103. CANCELLATION OF CERTAIN BOND AUTHORITY. The district may cancel, by order adopted by the board, the authority to issue the $4.5 million bonds authorized at an election held within the district on August 30, 1952, to construct or purchase water and sewer facilities the United States has undertaken to construct. (V.A.C.S. Art. 8280-189, Sec. 2 (part).)

CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9006.001. DEFINITIONS

Sec. 9006.002. NATURE OF AUTHORITY

Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION

Sec. 9006.005. APPLICABILITY OF OTHER LAW

[Sections 9006.006-9006.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9006.051. COMPOSITION

Sec. 9006.052. ELIGIBILITY TO SERVE

[Sections 9006.053-9006.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9006.101. GENERAL POWERS

Sec. 9006.102. LIMIT ON IMPOUNDING WATER

Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER

Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY

[Sections 9006.105-9006.200 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 9006.201. ISSUANCE OF BONDS

Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS

Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN

Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING

Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES

Sec. 9006.206. MAINTENANCE TAX RATE

Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION

CHAPTER 9006. CLEAR CREEK WATERSHED AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9006.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Clear Creek Watershed Authority.

(2) "Board" means the authority's board of directors. (New.)

Sec. 9006.002. NATURE OF AUTHORITY. The Clear Creek Watershed Authority is a conservation and reclamation district created to control, store, preserve, and distribute storm and flood waters along Clear Creek and tributaries in Cooke, Denton, Montague, and Wise Counties, as authorized by Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Sec. 1 (part).)

Sec. 9006.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is created to serve a public use and benefit.

(b) All territory and other property included within the boundaries of the authority will benefit from the projects, improvements, works, and measures to be constructed and accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-234, Secs. 2 (part), 6 (part).)

Sec. 9006.004. AUTHORITY TERRITORY; EXCLUSION. (a) The authority is composed of portions of Cooke, Denton, Montague, and Wise Counties as described by Sections 2 and 2a, Chapter 372, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-234, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 1, 1995;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) An error or discrepancy in the field notes of the authority's boundaries contained in Section 2, Chapter 372, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-234, Vernon's Texas Civil Statutes), does not affect the validity of the authority or any of its powers. (V.A.C.S. Art. 8280-234, Secs. 1 (part), 2 (part); New.)

Sec. 9006.005. APPLICABILITY OF OTHER LAW. Except as provided in this chapter, general laws pertaining to water control and improvement districts govern the authority. (V.A.C.S. Art. 8280-234, Sec. 11.)

[Sections 9006.006-9006.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9006.051. COMPOSITION. The board consists of nine directors. (V.A.C.S. Art. 8280-234, Sec. 12 (part).)

Sec. 9006.052. ELIGIBILITY TO SERVE. A director of the authority or any subordinate district must be a landowner within the authority and reside in Cooke, Denton, Montague, or Wise

County. A director who fails to meet the requirements of this section shall vacate the director's office. (V.A.C.S. Art. 8280-234, Sec. 12 (part).)

[Sections 9006.053-9006.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9006.101. GENERAL POWERS. To accomplish a purpose for which the authority is created, the authority has the powers conferred by the general laws of this state on water control and improvement districts, including the power to:

(1) construct, acquire, improve, maintain, or repair a dam or other structure; and

(2) acquire land, easements, equipment, or other property needed to use, control, or distribute storm or flood waters that may be impounded, diverted, or controlled by the authority. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

Sec. 9006.102. LIMIT ON IMPOUNDING WATER. The authority's right to impound water is subject to a prior grant or permit issued by the Texas Commission on Environmental Quality. (V.A.C.S. Art. 8280-234, Sec. 11a.)

Sec. 9006.103. RESTRICTION ON EMINENT DOMAIN POWER. The authority may not exercise the power of eminent domain outside authority boundaries. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

Sec. 9006.104. COST OF RELOCATING OR ALTERING PROPERTY. If the authority in the exercise of the power of eminent domain, the power of relocation, or any other powers granted under this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric

transmission line, telephone or telegraph property or facility, or pipeline, the authority or the subordinate district is solely responsible for the expense of that necessary action. (V.A.C.S. Art. 8280-234, Sec. 4 (part).)

[Sections 9006.105-9006.200 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 9006.201. ISSUANCE OF BONDS. To accomplish an authority purpose and to obtain money necessary to furnish land or easements or permanent improvements on the land or easements, the authority may issue and secure bonds as provided by general law for water control and improvement districts. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

Sec. 9006.202. PLEDGE OF REVENUE TO PAY BONDS. When the board selects a plan of taxation, the board may pledge authority revenue to pay bonds authorized by voters. (V.A.C.S. Art. 8280-234, Sec. 7.)

Sec. 9006.203. USE OF AD VALOREM TAXATION PLAN. The authority shall use the ad valorem plan of taxation. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

Sec. 9006.204. PLAN OR METHOD OF TAXATION; HEARING. (a) Except as provided by Subsection (b), after adopting a plan or method of taxation, the authority may call a hearing to consider changing the method of taxation. The authority shall call the hearing in the same manner used for the hearing to adopt the original plan of taxation.

(b) Once bonds are approved by the attorney general or district court, the political subdivision issuing the bonds may not

change its plan of taxation. (V.A.C.S. Art. 8280-234, Sec. 8.)

Sec. 9006.205. MAINTENANCE TAX ELECTION PROCEDURES. (a) A maintenance tax election shall be called and notice given in the same manner as provided for a bond election.

(b) This chapter does not prevent the calling of a later maintenance tax election to establish or increase the amount of tax if the board determines that a maintenance tax election is required. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

Sec. 9006.206. MAINTENANCE TAX RATE. In calling a maintenance tax election, the board must specify the maximum proposed tax rate. To impose a maintenance tax at a rate that exceeds the maximum proposed rate approved by the voters, the board must submit the question of a tax rate increase to the voters. (V.A.C.S. Art. 8280-234, Sec. 6 (part).)

Sec. 9006.207. AUTHORITY PROPERTY SUBJECT TO TAXATION. The authority is liable for ad valorem taxes imposed by a county, municipality, or school district on property owned by the authority. (V.A.C.S. Art. 8280-234, Sec. 13.)

CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9007.001. DEFINITIONS

[Sections 9007.002-9007.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9007.051. COMPOSITION; TERM

Sec. 9007.052. DIRECTOR QUALIFICATIONS

Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT

Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER; APPLICABILITY OF OTHER LAW

[Sections 9007.055-9007.100 reserved for expansion]

SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

Sec. 9007.101. AUTHORITY TO EXCLUDE LAND

Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES

Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION

[Sections 9007.104-9007.150 reserved for expansion]

SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING

Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY

Sec. 9007.152. GROUNDS FOR HEARING

Sec. 9007.153. NOTICE OF HEARING; PUBLICATION

Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS

Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL

Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION

Sec. 9007.157. EFFECT OF EXCLUSION

Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS

Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY

CHAPTER 9007. BEXAR-MEDINA-ATASCOSA COUNTIES WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9007.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1. (Acts 73rd Leg., R.S., Ch. 370, Sec. 1; Acts 74th Leg., R.S., Ch. 544, Sec. 1.)

[Sections 9007.002-9007.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9007.051. COMPOSITION; TERM. (a) The district is governed by a board of seven directors elected to staggered four-year terms.

(b) Five directors are elected from single-member precincts. Two directors are elected at large. (Acts 74th Leg., R.S., Ch. 544, Secs. 2(f), 3 (part).)

Sec. 9007.052. DIRECTOR QUALIFICATIONS. (a) A person seeking to represent a single-member precinct of the district must own land in the precinct the person seeks to represent.

(b) A person seeking to represent the district at large must own land in the district. (Acts 74th Leg., R.S., Ch. 544, Sec. 4.)

Sec. 9007.053. APPLICATION FOR PLACEMENT ON BALLOT. A person seeking to be placed on the ballot for a board election must:

(1) indicate that the person wishes to run for a position representing the district at large; or

(2) identify the single-member precinct from which the person wishes to run. (Acts 74th Leg., R.S., Ch. 544, Sec. 5.)

Sec. 9007.054. EMPLOYMENT OF GENERAL MANAGER; APPLICABILITY OF OTHER LAW. Section 49.056(c), Water Code, does not apply to the district. (Acts 76th Leg., R.S., Ch. 1104, Sec. 2(d).)

[Sections 9007.055-9007.100 reserved for expansion]

SUBCHAPTER C. EXCLUSION OF LAND BY RESOLUTION

Sec. 9007.101. AUTHORITY TO EXCLUDE LAND. (a) The board by resolution may exclude from the district land that:

(1) is inside the district but was not included in the district when the district was created; and

(2) has been subdivided into town lots and blocks, with streets or other thoroughfares dedicated to the use of the public.

(b) A map and the dedication of the land must be filed for record with the county clerk of the county in which the land is located before the board adopts the resolution to exclude the land. (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

Sec. 9007.102. ENTRY OF EXCLUSION INTO MINUTES. The secretary of the district shall enter a resolution passed under Section 9007.101 in the board's minutes. (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

Sec. 9007.103. EFFECT OF EXCLUSION RESOLUTION. From and after the time the secretary of the district enters a resolution under Section 9007.102, the excluded land is no longer:

(1) part of the district; or

(2) entitled to be served with water by the district. (Acts 63rd Leg., R.S., Ch. 605, Sec. 1 (part).)

[Sections 9007.104-9007.150 reserved for expansion]

SUBCHAPTER D. EXCLUSION OF PROPERTY AFTER HEARING

Sec. 9007.151. AUTHORITY TO EXCLUDE PROPERTY. The board may exclude property from the district if the board, after notice and hearing, finds that exclusion of the property is in the best interest of the district and that:

(1) the property is not irrigable with water purchased from the district because:

(A) the district cannot deliver water by gravity flow to a high point on the property to irrigate the property;

(B) the property is subdivided into tracts of less than 10 acres; or

(C) the property is subdivided into town lots, town lots and blocks, or similar small parcels of any size that will not be used for agricultural purposes or are suitable for a residential, commercial, or other nonagricultural purpose; or

(2) the property has not been irrigated with water purchased from the district for a period of not less than three years before the date the notice for the hearing is mailed. (Acts 73rd Leg., R.S., Ch. 370, Sec. 2.)

Sec. 9007.152. GROUNDS FOR HEARING. If the board has information that property located in the district is not irrigated or irrigable, the board may call and hold a hearing to determine whether to exclude the property from the district. (Acts 73rd Leg., R.S., Ch. 370, Sec. 3(a).)

Sec. 9007.153. NOTICE OF HEARING; PUBLICATION. (a) The board, by certified mail, return receipt requested, shall issue to each owner of property in the area proposed to be excluded a written notice of a hearing to be held under this subchapter. For purposes of this subsection, the board shall use the current tax rolls of the district to determine property ownership.

(b) The board shall issue a notice under Subsection (a) not earlier than the 21st day and not later than the 16th day before the date of a hearing held under this subchapter. The notice must:

(1) describe the property proposed to be excluded;

(2) describe the basis for the proposed exclusion;

(3) state the time, date, and location of the hearing; and

(4) advise that an interested property owner has the right to appear at the hearing to offer evidence to contest the proposed exclusion.

(c) The board shall publish notice of a hearing to be held under this subchapter at least once a week for two consecutive weeks in a newspaper of general circulation in each county in which the property proposed to be excluded is located. The first published notice must appear in the newspaper not earlier than the 40th day and not later than the 16th day before the date of the hearing. The notice must:

(1) describe the property proposed to be excluded;

(2) state the time, date, and location of the hearing; and

(3) advise that an interested property owner has the right to appear at the hearing and to offer evidence to contest the proposed exclusion. (Acts 73rd Leg., R.S., Ch. 370, Secs. 3(b), (c).)

Sec. 9007.154. CONSENT FROM HOLDERS OF INDEBTEDNESS. If the district has outstanding bonded indebtedness, or indebtedness under a loan from a governmental agency, a written consent from an authorized representative of the holder or holders of the indebtedness consenting to an exclusion of land from the district under this subchapter shall be obtained and filed with the district before a hearing is held under this subchapter. (Acts 73rd Leg.,

R.S., Ch. 370, Sec. 6.)

Sec. 9007.155. SUIT TO REVIEW ORDER; APPEAL. An interested person may:

(1) bring a suit to review an exclusion order issued under this subchapter in the manner provided by Section 49.308, Water Code; and

(2) appeal as provided by Section 49.308(c), Water Code. (Acts 73rd Leg., R.S., Ch. 370, Sec. 4.)

Sec. 9007.156. NOTICE AND RECORD OF EXCLUSION. (a) The district shall record a copy of an exclusion order issued under this subchapter in the real property records of the county in which the excluded property is located. The copy of the order must be certified and acknowledged by the secretary of the board.

(b) The board shall provide a copy of the order to the Texas Commission on Environmental Quality not later than the 30th day after the date the board issues the order. (Acts 73rd Leg., R.S., Ch. 370, Secs. 5, 8.)

Sec. 9007.157. EFFECT OF EXCLUSION. (a) Property excluded under this subchapter is not a part of the district and is not entitled to purchase water from or to receive any other service from the district.

(b) A tax, assessment, or other charge on the excluded property that is owed to the district at the time the exclusion order takes effect remains the obligation of the owner of the excluded property and continues to be secured by any statutory liens on the property.

(c) After property is excluded under this subchapter, the

owner of the property is not liable to the district for future taxes, assessments, or other charges of the district based on the excluded property. (Acts 73rd Leg., R.S., Ch. 370, Sec. 7.)

Sec. 9007.158. DISTRICT FACILITIES AND EASEMENTS. An exclusion order issued under this subchapter does not affect or interfere with any rights that the district has to maintain and continue operation of an easement, canal, ditch, pipeline, pump, or other district facility that is located on the excluded property for the purpose of servicing property remaining in the district. (Acts 73rd Leg., R.S., Ch. 370, Sec. 9.)

Sec. 9007.159. SUBSTITUTION FOR EXCLUDED PROPERTY. (a) At the sole discretion of the board, after the board issues an exclusion order under this subchapter, property may be added to the district if the property is:

(1) practically irrigable with water purchased from the district; and

(2) in the aggregate less than or equal to the acreage of property excluded under the exclusion order.

(b) Property may be added to the district under this section only if the owner of the property files a petition requesting inclusion. If the owner requesting inclusion already has acreage within the district, all taxes and other assessments owed to the district by the owner must be current before the board may consider the petition requesting inclusion. (Acts 73rd Leg., R.S., Ch. 370, Sec. 10.)

SECTION 1.09. Subtitle J, Title 6, Special District Local Laws Code, is amended by adding Chapter 9302 to read as follows:

CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND RECLAMATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9302.001. DEFINITIONS

Sec. 9302.002. CREATION; NATURE OF DISTRICT

Sec. 9302.003. LEGISLATIVE FINDINGS

Sec. 9302.004. LIBERAL CONSTRUCTION OF CHAPTER

Sec. 9302.005. CORRECTION OF INVALID PROCEDURES

Sec. 9302.006. DISTRICT TERRITORY

Sec. 9302.007. APPLICABILITY OF OTHER LAW

[Sections 9302.008-9302.050 reserved for expansion]

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

Sec. 9302.051. COMPOSITION OF BOARD

Sec. 9302.052. ELIGIBILITY TO SERVE

Sec. 9302.053. DIRECTORS ELECTION

Sec. 9302.054. BALLOT PROCEDURE FOR CANDIDATE

Sec. 9302.055. APPOINTMENT OF SECRETARY

Sec. 9302.056. VOTE BY BOARD PRESIDENT

Sec. 9302.057. BOND

Sec. 9302.058. COMPENSATION OF DIRECTORS

Sec. 9302.059. MEETINGS

Sec. 9302.060. DISTRICT RECORDS

Sec. 9302.061. DISTRICT OFFICE

[Sections 9302.062-9302.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9302.101. GENERAL POWERS

Sec. 9302.102. GENERAL WATER SUPPLY POWERS

Sec. 9302.103. SEAL

Sec. 9302.104. SURVEYS AND INVESTIGATIONS

Sec. 9302.105. PAYMENT OF EXPENSES

Sec. 9302.106. DISPOSAL OR LEASE OF DISTRICT PROPERTY

Sec. 9302.107. RESTRICTION ON DISTRICT WORKS, IMPROVEMENTS, AND FACILITIES

Sec. 9302.108. CONSTRUCTION ON PUBLIC LAND

Sec. 9302.109. ACQUISITION OF PROPERTY; EMINENT DOMAIN

Sec. 9302.110. COST OF RELOCATING OR ALTERING PROPERTY

Sec. 9302.111. SANITARY SEWER SYSTEM

Sec. 9302.112. ACQUISITION OF WATER STORAGE AND STORAGE CAPACITY

Sec. 9302.113. CONSTRUCTION OR MAINTENANCE OF SEWER SYSTEM PROHIBITED

Sec. 9302.114. ARRANGEMENTS WITH UNITED STATES

Sec. 9302.115. CONTRACTS AND COOPERATION WITH STATE AND POLITICAL SUBDIVISIONS

Sec. 9302.116. AWARD OF CERTAIN CONTRACTS

Sec. 9302.117. WATER SUPPLY CONTRACTS

[Sections 9302.118-9302.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9302.151. TAXES AND ASSESSMENTS PROHIBITED

Sec. 9302.152. DEPOSITORY

Sec. 9302.153. FORM OF RECORDS AND ACCOUNTS

Sec. 9302.154. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION

[Sections 9302.155-9302.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9302.201. AUTHORITY TO ISSUE REVENUE BONDS
Sec. 9302.202. INTERIM BONDS
Sec. 9302.203. REFUNDING BONDS
Sec. 9302.204. FORM OF BONDS
Sec. 9302.205. MATURITY
Sec. 9302.206. BOND SECURITY
Sec. 9302.207. TRUST INDENTURE
Sec. 9302.208. ADDITIONAL SECURITY
Sec. 9302.209. WATER RATES AND OTHER COMPENSATION
Sec. 9302.210. USE OF BOND PROCEEDS
Sec. 9302.211. APPOINTMENT OF RECEIVER
Sec. 9302.212. COMMISSION SUPERVISION OF PLANS AND SPECIFICATIONS
Sec. 9302.213. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS
Sec. 9302.214. BONDS EXEMPT FROM TAXATION

CHAPTER 9302. ARANSAS COUNTY CONSERVATION AND RECLAMATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9302.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "District" means the Aransas County Conservation and Reclamation District. (V.A.C.S. Art. 8280-296, Sec. 1 (part); New.)

Sec. 9302.002. CREATION; NATURE OF DISTRICT. (a) The district is a conservation and reclamation district and a political

subdivision created under Section 59, Article XVI, Texas Constitution.

(b) A court shall take judicial notice of the district's creation. (V.A.C.S. Art. 8280-296, Secs. 1 (part), 3 (part).)

Sec. 9302.003. LEGISLATIVE FINDINGS. (a) The legislature finds that:

(1) the district will benefit all of the area of the district;

(2) the district will serve a public use and be a public benefit;

(3) the district is essential to the accomplishment of the preservation and conservation of the natural resources of this state; and

(4) the district's creation is in the public interest.

(b) The accomplishment of the purposes stated in this chapter are 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 constitution of this state. (V.A.C.S. Art. 8280-296, Secs. 1 (part), 13 (part), 17 (part).)

Sec. 9302.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes. (V.A.C.S. Art. 8280-296, Sec. 17 (part).)

Sec. 9302.005. CORRECTION OF INVALID PROCEDURES. If a court holds that a procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms to

the constitution. (V.A.C.S. Art. 8280-296, Sec. 18 (part); Acts 62nd Leg., R.S., Ch. 582, Sec. 2 (part).)

Sec. 9302.006. DISTRICT TERRITORY. Unless the district boundaries have been modified under Subchapter J, Chapter 49, Water Code, or other law:

(1) the district's boundaries are coextensive with the boundaries of Aransas County; and

(2) the district's territory does not include any territory that on May 31, 1963, was included in a water control and improvement district. (V.A.C.S. Art. 8280-296, Sec. 1 (part); New.)

Sec. 9302.007. APPLICABILITY OF OTHER LAW. Any law that the district considers helpful to the district in carrying out the district's purposes applies to the district, and the district has all the power necessary to fully qualify for and gain the benefits of that law. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

[Sections 9302.008-9302.050 reserved for expansion]

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

Sec. 9302.051. COMPOSITION OF BOARD. The board consists of six directors. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

Sec. 9302.052. ELIGIBILITY TO SERVE. A director must reside in and own land in the district. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

Sec. 9302.053. DIRECTORS ELECTION. (a) Notice of a directors election shall be published in a newspaper of general circulation in the district one time at least 30 days before the date of the election.

(b) The election order must state the time and places at

which the election will be held and the purpose of the election.

(c) The board shall declare elected the three candidates who receive the highest number of votes. (V.A.C.S. Art. 8280-296, Sec. 2(c) (part).)

Sec. 9302.054. BALLOT PROCEDURE FOR CANDIDATE. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must submit a petition to the board's secretary requesting that action.

(b) The petition must be:

(1) signed by at least 10 qualified voters; and

(2) presented to the board's secretary not later than the 10th day before the date of the election. (V.A.C.S. Art. 8280-296, Sec. 2(d).)

Sec. 9302.055. APPOINTMENT OF SECRETARY. The board shall appoint a secretary, who is not required to be a director. (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

Sec. 9302.056. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director. (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

Sec. 9302.057. BOND. Each director shall execute a bond for $5,000 conditioned on the faithful performance of the person's duties as director. (V.A.C.S. Art. 8280-296, Sec. 2(a) (part).)

Sec. 9302.058. COMPENSATION OF DIRECTORS. Unless the board by resolution increases the amount received by a director to an amount authorized by Section 49.060, Water Code, a director shall receive $25 for each board meeting the director attends. The amount received in a calendar month may not exceed $100. (V.A.C.S. Art.

8280-296, Sec. 2(f) (part).)

Sec. 9302.059. MEETINGS. (a) The board shall hold regular meetings at least once a month at the time and place fixed by board resolution or board bylaws.

(b) The president or any two directors may call a special meeting if necessary to administer district business.

(c) The secretary shall mail notice of the special meeting to each director not later than the fifth day before the date of the meeting.

(d) A director in writing may waive notice of special meetings. (V.A.C.S. Art. 8280-296, Sec. 2(g) (part).)

Sec. 9302.060. DISTRICT RECORDS. The board's accounts of its meetings and proceedings and its minutes, contracts, notices, accounts, receipts, and other records are subject to public inspection. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

Sec. 9302.061. DISTRICT OFFICE. The board shall maintain an office in the district for conducting district business. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

[Sections 9302.062-9302.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9302.101. GENERAL POWERS. The district may perform any act necessary or proper to carry out a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.102. GENERAL WATER SUPPLY POWERS. (a) The district may develop an adequate supply of fresh water and may process, transport, and distribute fresh water for municipal, domestic, irrigation, and industrial purposes.

(b) The district may:

(1) develop, construct, lease, or purchase dams, reservoirs, underground and other sources of water, and any other facilities necessary or useful to:

(A) provide a source of water supply; and

(B) store, process, transport, and distribute water for municipal, domestic, irrigation, and industrial purposes;

(2) purchase water or a water supply from any person, including this state, a public agency, or the United States;

(3) at the board's discretion, contract and combine with one or more large users of water to acquire a joint water supply or an agreed allocation of water storage or contract independently for the district's water supply; and

(4) acquire water appropriation permits directly from the Texas Commission on Environmental Quality or from owners of permits. (V.A.C.S. Art. 8280-296, Secs. 3 (part), 15 (part).)

Sec. 9302.103. SEAL. The district may adopt a corporate seal. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.104. SURVEYS AND INVESTIGATIONS. The district may conduct or arrange for a survey or an engineering investigation to provide information for the district to facilitate the accomplishment of a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.105. PAYMENT OF EXPENSES. The district may pay an expenditure considered essential to:

(1) an investigation; or

(2) the organization, operation, or maintenance of the district. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.106. DISPOSAL OR LEASE OF DISTRICT PROPERTY. (a) The district may dispose of property or a property right that is not needed for a district purpose.

(b) The district may lease property or a property right for a purpose that does not interfere with the use of district property. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.107. RESTRICTION ON DISTRICT WORKS, IMPROVEMENTS, AND FACILITIES. Except as provided by Section 9302.111, the district may provide only the works, improvements, and facilities that the board finds necessary and useful to develop a source of fresh water or provide and distribute fresh water. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.108. CONSTRUCTION ON PUBLIC LAND. (a) The district may construct any necessary work or improvement over, across, and along:

(1) a public stream, road, or highway; and

(2) land belonging to this state.

(b) A plan for an improvement under Subsection (a) or a state highway is subject to the approval of the Texas Department of Transportation. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.109. ACQUISITION OF PROPERTY; EMINENT DOMAIN. (a) The district may acquire land, easements, rights-of-way, or other property in or outside the district that is incident to or helpful in carrying out a district purpose. The district may make the acquisition by device or lease-purchase or by exercising the

power of eminent domain.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The district may not:

(1) exercise the power of eminent domain outside Aransas County; or

(2) apply the power of eminent domain to a private water supply. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.110. COST OF RELOCATING OR ALTERING PROPERTY. (a) If the district, in the exercise of the power of eminent domain, the power of relocation, or another power granted under this chapter, makes necessary taking property or relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the district shall pay for the necessary action.

(b) The district's duty to pay under this section is limited to the actual cost, without enhancement, of the property taken or work required, after deducting any net salvage value derived from property taken. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.111. SANITARY SEWER SYSTEM. (a) In this section, "sanitary sewer system" means the works, facilities, plants, equipment, and appliances incident, helpful, or necessary to the collection, transportation, processing, disposal, and control of all domestic, industrial, or communal wastes, including fluids, solids, or composites.

(b) The district may purchase, acquire, construct, operate,

maintain, improve, and extend a sanitary sewer system. (V.A.C.S. Art. 8280-296, Sec. 3(a) (part).)

Sec. 9302.112. ACQUISITION OF WATER STORAGE AND STORAGE CAPACITY. (a) The district may lease or otherwise acquire rights to storage and storage capacity in a reservoir constructed or to be constructed by any person, including this state, a public agency of this state, or the United States.

(b) The district may purchase storage capacity for water from any person, including this state, a public agency of this state, or the United States. (V.A.C.S. Art. 8280-296, Sec. 15 (part).)

Sec. 9302.113. CONSTRUCTION OR MAINTENANCE OF SEWER SYSTEM PROHIBITED. Except as provided by Section 9302.111, the district may not construct or maintain a sewer system. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.114. ARRANGEMENTS WITH UNITED STATES. (a) The district may cooperate with, contract with, or receive a grant, loan, or advancement from the United States to exercise a district power or to further a district purpose.

(b) The district may contribute to the United States in connection with any project undertaken by the United States that affects or relates to a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.115. CONTRACTS AND COOPERATION WITH STATE AND POLITICAL SUBDIVISIONS. The district may cooperate and contract with this state or a political subdivision of this state to carry out a district purpose. (V.A.C.S. Art. 8280-296, Sec. 3 (part).)

Sec. 9302.116. AWARD OF CERTAIN CONTRACTS. (a) This section applies only to a construction contract or a contract for the purchase of materials, equipment, or supplies requiring an expenditure of more than $2,000.

(b) This section does not apply to the purchase of water or a water system or facility existing at the time of the purchase.

(c) The district shall award a contract to the lowest and best bidder after publishing notice to bidders once a week for two weeks in a newspaper published in Aransas County that is designated by the board.

(d) The notice must state:

(1) the time and place for opening the bids;

(2) the general nature of the work to be done under the contract or the material, equipment, or supplies to be purchased under the contract; and

(3) the location at which and the terms on which copies of the plans and specifications may be obtained. (V.A.C.S. Art. 8280-296, Sec. 4.)

Sec. 9302.117. WATER SUPPLY CONTRACTS. (a) The district may contract with a municipality or other person to supply water services to the municipality or person.

(b) The district may contract with a municipality to rent, lease, or operate the municipality's facilities for water production, supply, filtration, or purification.

(c) The parties to the contract may agree on the contract terms, including consideration and duration.

(d) The contract may provide that the contract continues in

effect until any bonds specified in the contract, and any refunding bonds issued for those bonds, are paid. (V.A.C.S. Art. 8280-296, Sec. 14.)

[Sections 9302.118-9302.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9302.151. TAXES AND ASSESSMENTS PROHIBITED. The district may not:

(1) impose a tax or assessment; or

(2) create a debt or issue a bond payable from a tax or assessment. (V.A.C.S. Art. 8280-296, Secs. 3(a) (part), 5(b) (part).)

Sec. 9302.152. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money.

(b) All district money shall be deposited with the depository bank or banks, except that sufficient money must be remitted to the bank or banks of payment to pay the principal of and interest on the district's outstanding bonds on or before the maturity date of the principal and interest.

(c) To the extent that money in a depository bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds.

(d) Membership on the district's board of an officer or director of a bank does not disqualify the bank from being selected as a depository. (V.A.C.S. Art. 8280-296, Sec. 12.)

Sec. 9302.153. FORM OF RECORDS AND ACCOUNTS. District

records and accounts must conform to approved methods of bookkeeping. (V.A.C.S. Art. 8280-296, Sec. 2(h) (part).)

Sec. 9302.154. PROJECTS EXEMPT FROM ASSESSMENT OR TAXATION. The district is not required to pay a tax or assessment on a project or any part of a project. (V.A.C.S. Art. 8280-296, Sec. 13 (part).)

[Sections 9302.155-9302.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9302.201. AUTHORITY TO ISSUE REVENUE BONDS. (a) The district may borrow money and issue revenue bonds to:

(1) provide money to purchase or otherwise provide a work, plant, facility, or appliance necessary to accomplish a district purpose; and

(2) exercise a power under this chapter.

(b) The bonds must be payable from revenue the board by resolution pledges. (V.A.C.S. Art. 8280-296, Sec. 5(b) (part).)

Sec. 9302.202. INTERIM BONDS. Before issuing definitive bonds under this subchapter, the board may authorize the delivery of interim bonds or notes exchangeable for definitive bonds. (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

Sec. 9302.203. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than one series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional

revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable in the manner prescribed by Section 1207.061, Government Code. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their effective option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded. (V.A.C.S. Art. 8280-296, Sec. 6.)

Sec. 9302.204. FORM OF BONDS. Bonds issued under this subchapter must:

(1) be issued in the district's name;

(2) be signed by the president; and

(3) be attested by the secretary. (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

Sec. 9302.205. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date of issuance. (V.A.C.S. Art. 8280-296, Sec. 5(c) (part).)

Sec. 9302.206. BOND SECURITY. (a) In this section, "net revenue" means the district's gross revenue after deducting the amount necessary to pay the reasonable cost of maintaining and operating the district and its properties.

(b) Bonds issued under this subchapter may be secured by:

(1) a pledge of all or part of the district's net revenue, including the net revenue of a contract made before or after the issuance of the bonds; or

(2) any other revenue and income specified by board resolution or the trust indenture.

(c) A bond security pledge under this section may reserve to the district, under conditions specified by the pledge, the right to issue additional bonds that will be on a parity with or subordinate to the bond then being issued. (V.A.C.S. Art. 8280-296, Sec. 5(e).)

Sec. 9302.207. TRUST INDENTURE. (a) Bonds authorized by this subchapter may be additionally secured by a trust indenture under which the trustee may be a bank that has trust powers. The bank may be located in or outside this state.

(b) Regardless of any deed of trust or mortgage lien on the physical property of the district, the trust indenture may:

(1) contain any provision the board prescribes for the security of the bonds and the preservation of the trust estate;

(2) provide for amendment or modification of the trust indenture;

(3) contain provisions governing issuance of bonds to replace lost or mutilated bonds;

(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and

(5) provide for the investment of district money. (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

Sec. 9302.208. ADDITIONAL SECURITY. (a) At the board's discretion, the district may additionally secure bonds authorized by this subchapter by a deed of trust or mortgage lien on the physical properties of the district and all franchises, easements, water rights and appropriation permits, leases, contracts, and rights appurtenant to the properties.

(b) The deed of trust or mortgage lien may vest in the trustee the power to:

(1) sell the properties for payment of the debt;

(2) operate the properties; and

(3) take any other action to further secure the bonds.

(c) A purchaser at a sale under the deed of trust lien:

(1) is the absolute owner of the property, including the facilities, and rights purchased; and

(2) is entitled to maintain and operate the properties and facilities. (V.A.C.S. Art. 8280-296, Sec. 7 (part).)

Sec. 9302.209. WATER RATES AND OTHER COMPENSATION. (a) If the district issues bonds payable wholly from revenue, the board shall establish the rates of compensation for water sold and services provided by the district and collect the compensation in an amount sufficient to:

(1) pay the expense of operating and maintaining

district facilities;

(2) pay the bonds as they mature and interest on the bonds as it accrues; and

(3) maintain the reserve and other funds as provided by the resolution authorizing the bonds.

(b) If the district issues bonds payable partly from revenue, the board shall establish the rates of compensation for water sold and services provided by the district and collect the compensation in an amount sufficient to ensure compliance with the resolution authorizing the bonds. (V.A.C.S. Art. 8280-296, Sec. 5(g).)

Sec. 9302.210. USE OF BOND PROCEEDS. (a) The district may set aside and use the proceeds from bond sales for the payment of interest expected to accrue during construction and a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside proceeds under this subsection.

(b) The district may use proceeds from the sale of bonds to pay an expense necessarily incurred in accomplishing the purpose for which the bonds are issued, including the expense of issuing or selling bonds.

(c) The district may use proceeds from the sale of revenue bonds for the payment of all expenses necessarily incurred in accomplishing a district purpose.

(d) The proceeds from the sale of bonds may be:

(1) placed on time deposit with the district's depository bank; or

(2) temporarily invested in direct obligations of the

United States maturing not later than the first anniversary of the date of investment. (V.A.C.S. Art. 8280-296, Sec. 5(h).)

Sec. 9302.211. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, employ and discharge district agents and employees, take charge of money on hand, and manage the district's proprietary affairs without the consent of or hindrance by the directors.

(c) The court appointing the receiver may:

(1) authorize the receiver to sell or contract for the sale of water or other services provided by the district or renew those contracts with the approval of the court; and

(2) vest the receiver with any other power or duty that the court finds necessary to protect the bondholders.

(d) The resolution authorizing the issuance of the bonds or the trust indenture securing the bonds may limit or otherwise qualify the rights of less than all of the holders of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income. (V.A.C.S. Art. 8280-296, Sec. 5(i).)

Sec. 9302.212. COMMISSION SUPERVISION OF PLANS AND SPECIFICATIONS. (a) Before the district may issue construction or improvement bonds, the district must submit the plans and specifications for the construction or improvement to the Texas

Commission on Environmental Quality for approval in the manner required by Section 49.182, Water Code.

(b) The Texas Commission on Environmental Quality may inspect the district's projects and improvements during the course of construction as provided by Section 49.182, Water Code. (V.A.C.S. Art. 8280-296, Sec. 5(j) (part).)

Sec. 9302.213. REVIEW AND APPROVAL OF CONTRACTS RELATING TO BONDS. (a) If bonds issued under this subchapter state that the bonds are secured by a pledge of the proceeds of a contract made between the district and a municipality or other governmental agency, authority, or district, a copy of that contract and the proceedings of the entities authorizing the contract must be submitted to the attorney general with the bonds and the records of proceedings relating to the bonds.

(b) If the attorney general finds that the bonds have been authorized and the contract has been made in accordance with law, the attorney general shall approve the bonds and the contract. (V.A.C.S. Art. 8280-296, Sec. 9 (part).)

Sec. 9302.214. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and any income from the bond, including any profit made from the sale of the bond, are exempt from taxation by this state or a political subdivision of this state. (V.A.C.S. Art. 8280-296, Sec. 13 (part).)

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Section 2, Chapter 372, Acts of the 56th Legislature, Regular Session, 1954 (Article 8280-234, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. [~~It is expressly determined and found that all of the territory included within the area of the District will be benefited by the works and projects which are to be accomplished by the Authority pursuant to the powers conferred by the provisions of Article XVI, Section 59, of the Constitution of Texas.~~] The area of the Authority shall be all of that territory enclosed within the following metes and bounds description, to-wit:

BEGINNING at a point in the Montague and Cooke County Line, in the Southwest line of the B. B. B. & C. R. R. Co. Survey No. 23, Abst.No. 89, said point being in the Northeast boundary line of Geo. A. Larue Survey Abst.No. 1167, being 1340 vrs. more or less, N. 55 W. from the South corner of said Bur. 23 B. B. B. & C. R. R. C. Survey. Abst.No. 89, and 522 vrs. more or less, N. 55 W. from the East corner of said George A. Larue Survey Abst.No. 1167:

THENCE North 55 West along the Southwest line of B. B. B. & C. R. R. Co. Sur. No. 23, and the Northeast line of the Geo. A. Larue Sur., at 211 vrs, more or less, pass the North cor. or the Geo. A. Larue Sur., also being the most Northerly East Cor. of the H. D. Payne Sur. Abst. No. 1376, continuing same course, at 560 vrs. pass the West corner of B. B. B. & C. R. R. Co. Sur. No. 23, Abst. No. 89, also the South corner of Jasper Field Sur. Abst. No. 1083. Continuing North 55 West along the S. W. B. L. of said Jasper Field Sur. pass his West Corner, being the South corner of B. B. B. & C. R. R. Co. Sur No. 25, Abst No. 91, and continuing same course along the S. W. B. L. of said B. B. B. & C. R. R. Co. Sur. 25, Abst. No. 91, to its West Corner, being the South corner of Jasper Field Sur. Abst. 1084, being a point in the N. E. B. L. of the Elizabeth Rose Survey

Abst. No. 1257, same being 4360 vrs., more or less in all from the point of beginning.

THENCE North 35 deg. East 950 vrs. along the N. W. B. L. of the B. B. B. & C. R. R. Co. Sur. 25 Abst 91, to a point for cor. being the North Cor. or the S.W. 1/2 of said B. B. B. & C. R. R. Co. Sur. No. 25, on the S. E. B. L. of the Jasper Field Sur. Abst. No. 1084;

THENCE North about 42 deg. West, crossing the entire Jasper Field Sur. Abst. 1084 to the South corner of the A. W. Howard Sur. Abst. No. 324.

THENCE North 37 deg. West 264 vrs. along the S. W. B. L. of the A. W. Howard Sur., being the most Westerly North corner of the Jasper Field Survey Abst. 1084, said point also being the East corner of the I. G. Sommers Sur. Abst. No. 694:

THENCE In a Northwesterly direction, crossing the I. G. Sommers Sur. Abst. 694, to its inner ell corner, also being the South Corner of the V. B. Mathews Sur. Ab. 557:

THENCE N. 37 deg. W. 580 vrs. along S. W. B. L. of said V. B. Matthews Survey to the most Northerly North corner of said I. G. Sommers sur. also being the most Southerly East corner of the Daniel Rasor Sur. Abst. No. 660:

THENCE S. 53 deg. W. 637 vrs. along S. E. B. L. of said Daniel Rasor Sor. Abst. 660, to his South corner, same being a point at an inner ell corner of the Cradrilla Irrigation Co. Sur. Abst. 1145:

THENCE N. 37 deg. W. 1400 vrs. corner, being the West corner of said Daniel Rasor Sur., said point also being in the S. E. B. L. of the Dye Mound and Saint Jo road:

THENCE N. 53 deg. E. 18.9 vrs. corner, being a point on the N.

W. B. L. of Daniel Rasor Sur., also being the South corner of the A. Stewart Sur. Abst. No. 713;

THENCE N. 37 deg. W. at 828 vrs. pass the West corner of the A. Stewart Sur. Abst 713, at 855 varas corner, the inner ell corner of the C. E. Holmes Sur. Ab. No. 1627 said point also being the most northerly corner of the Cuadrilla Irrigation co. Sur. Abst 1145;

THENCE S. 53 deg. West 86.5 vrs. corner, being the most Westerly South corner of said C. E. Holmes Sur, same being the East Corner of the John Burgess Sur. Abst No. 29;

THENCE N. 37 deg. W. at 463 vrs. the West cor. of said C. E. Holmes Sur. same being the most Southerly South cor. of the M. B. Lewis Sur. Abst. No. 424 continuing same course 907 vrs. in all to an inner ell corner of the M. B. Lewis Sur. also being the most Easterly North cor. of the John Burgess Sur. Ab. No. 29;

THENCE S. 53 W. at 208 vrs. cross road, in all 402 vrs, to inner ell corner of the John Burgess Sur. Abst No. 29;

THENCE N. 37 W. at 805 vrs. pass the North corner of the said John Burgess sur, also being the East cor of the L. S. Farrar Sur. Abst. No. 282, continuing N. 37 deg W. along the N. E. B. L. of said Farrar Sur. 1465 vrs. in all to point in South line of the Montague and Saint Jo Road, same being the West cor of the C. D. Meador et al, 266.86 acre tract out of said M. B. Lewis Survey Abst. No. 424 also being the North cor. of Geo. E. and Roy R. Peery 145.75 acre tract out of said L. S. Farrar Sur. Abst No. 282;

THENCE S. 89 W. along S. line of said road 520 vrs. to cor. in N. W. B. L. of said Farrar survey;

THENCE S. 53 deg. W. 70 vrs. more or less, cor in South line of

said road said point being the most Northerly E. Cor of the William C. Masters Sur Abst No. 1244;

THENCE in a Westerly direction, to a cor on the S. E. B. L. of the John A. Ivie Sur. Abst. No. 911, also on the N. W. B. L. of the said William C. Masters Sur. Said point being S. 53 deg. W. 184.20 vrs. from the East Cor. of said John A. Iris Sur. at the South cor. of the Walter Hoover's Northeast 30.09 acre tract out of said Ivie Sur. Also being the East Cor. of L. A. Husband 57.7 acre tract out of the said John A Ivie Survey;

THENCE N. about 66 Deg. W. Crossing the S.W. portion of said L. A. Husband 57.7 acres out of the John A. Ivie Sur., 1080 vrs., more or less, to the S. Cor. of the said 57.7 acre tract, in the N. W. B. L. of the said Ivie Sur;

THENCE N. 59-1/2 Deg. W. 378 vrs. more or less, along the N.E. Line of road to cor. in road, also being a point in the S.W. Line of the L. A. Husband 83.1 acre tract out of the M. B. Lewis Sur. Abst. No. 424;

THENCE S. across Geo. E. and Roy R. Peery's 130.31 acre tract out of the M. B. Lewis Sur. Abst. No. 424, to a point on the N. E. B. L. of the John W. Kelley Sur. Abst No. 408, said point being S. 43 Deg. E. from the North Cor. of the said John W. Kelley Sur;

THENCE S. about 50 Deg. W. 520 vrs., more or less, to the East Cor of the J. W. Cole 43.32 acre tract out of said John W. Kelley Sur. Abst. No. 408, also being 290 vrs. S. 46 Deg. W. and 671.3 vrs. S. 23-1/4 Deg. E. from the N. Cor. of the said Kelley Sur. in center of Montague & Saint Jo Road;

THENCE S. 67.75 W. with road 169-1/2 vrs;

THENCE S. 77.75 W. with road 232-1/2 vrs;

THENCE S. 78.75 W. with said road 164.20 vrs. to a point in said road on W. bank of a ravine near the W end of a small bridge, being the S.W. Cor. of said J. W. Cole 43.32 acre tract in said Kelley Survey;

THENCE S. 58 Deg. W. 4314 vrs;

THENCE S. 58 Deg. W. 433-4/5 vrs., more or less, along the S. E. B. L. of a certain 55.29 acre tract;

THENCE S. 30.75 Deg. W. 118 vrs;

THENCE S. 61 W. 320 vrs. to Cor. on S. W. B. L. of said Kelley sur. being a point 193 vrs. S. 43 Deg. E. from the W. Cor. of said Kelley sur. also being a point on the N. E. B. L. of the M. Hunt Sur. Abst. No. 349;

THENCE S. 47 Deg. W. 1344 vrs. cross the M. Hunt Sur. Abst No. 349, to a point on the N. E. B. L. of the J. Collier Sur. Abst. 1212, said point being 528 vrs. S. 43 E. From the N. Cor. of the said J. Collier Sur. Abst. 1212;

THENCE IN A S.W. direction along the S. B. L. of a certain 10 acre tract, owned by the Estate of Lillie Reimers out of the N. Cor. of said J. Collier Sur, to a point of the N. E. B. L. of the M. Hunt Sur. Abst. No. 350; being 640 vrs., more or less, S. 25 E. from the N. Cor. of the M. Hunt Sur. Abst. No. 350;

THENCE S. 25 deg E. about 72 vrs. to Cor. in N.E. line of said Hunt Sur. also being the North cor. of the E. 20 acres of the M. Hunt Sur. Abst. No. 350;

THENCE S. about 63 Deg. W. crossing the M. Hunt Sur. Abst 350, 1345 vrs. more or less to the S. W. B. L. of same, also a point in N.

E. B. L. of Blk. 18 of the upper League of Calhoun County School Land Sur. Abst. No 122, being 600 vrs. S. 25 E. from the N. Cor. of said Blk. 18;

THENCE S. about 67 Deg. W. across said Blk. 18 of Calhoun County School Land Sur. Abst No. 122, through that certain North W. 112 acre tract in said Blk. 18, owned or once owned by J. N. Collier, approximately 1190 vrs. to the N. Cor. of Blk 19, and E. Cor. of Blk, 24 of said Calhoun County School Land Sur. Abst 122;

THENCE W. about 430 vrs to a point for corner, which is about 374 vrs. S. 47 W. and 415 vrs. N. 43 W. from the E. Cor. of Blk. 24 Calhoun County School Land Sur. Abst. 122;

THENCE S. 43 W. at 577 Vrs. cross S. W. B. L. of Blk 24, and N. E. B. L. of Blk 25 Calhoun County Sch. Ld. Sur. Abst. 122, continuing S. 43 Deg. W. along the S. E. B. L. of the J. M. Chambers 101 acres out of the N. W. Part of Blk. 25 Calhoun, in all 1525 vrs. to Cor. on S. W. B. L. of Blk. 25. Said point being the W. Cor. of C. McCall Est. S.E. 70 acre tract out of said Blk. 25 being a point in N. E. B. L. of Blk, 26, said Calhoun County School Land Survey;

THENCE S. 47 E. at 415 vrs. Passing the East Cor. of Blk, 26, also the North. Cor. of Blk. 21, the W. Cor. Blk. 20 and S. Cor. Blk. 25, continuing S. 47 E. along N. E. B. L. of Blk. 21 to its East Cor. in all 1365 vrs;

THENCE S. 47 Deg. W. 600 Vrs. Cor. in N. W. B. L. of Blk 17 Calhoun;

THENCE S. about 76 Deg. E. 1200 vrs. more or less, to the East Cor. of said Blk. 17, Calhoun Co. also being in N. Cor of Blk. 13, the W. Cor. Blk 12 and the S. Cor. of Blk 16, and Calhoun County.

School Land Sur Abst. 122;

THENCE S. 47 Deg. E. Along N. E. B. L. of Blk. 13 at 950 vrs. pass its E Cor. also the N. Cor. Blk 9, Calhoun County School Land Sur. Continuing S. 47 E. in All 1896 vrs., more or less to the E. Cor. of Said Blk. 9, Calhoun County School Land Sur. said point also being the N. Cor. of Blk. 5, the S. Cor. Blk 8 and the W. Cor of Blk. 4;

THENCE S. 47 W. along N. W. B. L. Blk 5, 727 vrs. to point in N. W. B. L. of said Blk, 5, also being the W. Cor. of S. T. Tompkins 122 acre tract in the N.E. Part of Blk 5. Calhoun County Abst. 122;

THENCE S. 43 Deg. E. 950 vrs to Cor. in S. E. B. L. of Blk. 5 Calhoun, same being a point on N. W. B. L. of League 11 Calhoun County School Land Sur. Abst N. 121;

THENCE S. 47 W. 387 vrs. to a point for Cor, being the S. Cor. of Blk 5, Calhoun County Sch. Ld. Sur. Abst 122; and the West Cor. of Blk 24 Calhoun County Sch. Land, Sur. Abst No 121;

THENCE S. 43 E. pass the S. Cor. of Blk, 24, Calhoun County Sch. Ld. Sur. Abst. 121, which is also the W. Cor. of Blk 25, of Calhoun County Sch. Ld. Sur. Abst 121, continuing in all 1425 vrs., more or less, to the S. Cor. of Blk, 25, also the W. Cor. of Blk 26, Calhoun County School Land Sur. Abst. No. 121;

THENCE S. about 47 W. 537.5 vrs. to point for Cor, being the N. Cor. of the Fred Love 220 acre tract out of Sec. 1, E. T. R. R. Co. Sur. Abst. 256;

THENCE S. 43 E. 1050 vrs., more or less along the N. E. L. of said Love 220 acre tract to Cor. on N. W. B. L. of Elias Spray Sur. Ab. 672, said point also being 637.5 vrs. S. 47 W. from the N. Cor.

of said Spray Survey;

THENCE S. 47 W. 213 vrs. along the N. W. B. L. of the Spray Sur. a Cor. same being the W Cor. of the North 100 acres of the Elias Spray Sur. Abst No. 672;

THENCE S. 43 E. 1900 vrs. Cross the said Spray Sur. to Cor. in the S. E. B. L. also point in most Easterly N. W. B. L. of the Z. Westmoreland Sur. Abst. No. 859;

THENCE N. 47 E. 326 vrs. Cor. in the S.E. Line of the Spray Sur. also the most Easterly N. Cor. of the Z. Westmoreland Sur. Abst. 859, same being the most Northerly W. Cor. or the J. H. Pond Sur. Abst. No. 1505;

THENCE S. 45 E. 423 Vrs. the E. Cor. of Westmoreland Sur;

THENCE S. 45 W. 150 vrs. a Cor. being the N. Cor. of the L. L. Mobley Sur Abst 555;

THENCE S. 45 E. 950 vrs. to E. Cor of said L. L. Mobley Sur. also being in inner ell cor. of said J. H. Pound Survey;

THENCE S. 45 Deg. W. 475 vrs. Cor. in S. E. B. L. of the L. L. Mobley Sur. being the most Southerly W. Cor. of said J. H. Pound Sur, also the N. Cor. of the S. D. Hughes Sur. Abst No. 1293;

THENCE S. 45 Deg. E. passing S. Cor. of J. H. Pound Sur. Abst No. 1505, and W. Cor. of Levi Noblett Sur. Abst. No. 115, in all 964 vrs. to point on the N. W. B. L. of George E. Bibens Sur. Abst No. 310;

THENCE S. 30 deg. W. 497 vrs. to the W. Cor. of the said George E. Givens Sur. also being an inner ell cor. of the S. D. Hughes Sur. Abst 1293;

THENCE S. 60 E. along S. W. B. L. of said Givens Sur. 180 vrs.

more or less to Cor. in West line of County Road;

THENCE S. about 26 E. along W. Line of said road crossing a portion of the S. D. Hughes Sur. Abst No. 1293, 272 vrs, more or less, to a point in the N. W. B. L. of the J. W. Williams Sur. Abst No. 1398;

THENCE S. 40 deg. E. along said road 685 vrs. corner;

THENCE N. 72 E. along said road 55 vrs. a corner, being the most Easterly N. Cor. of a certain 23.4 acre tract in the S. Cor. of said J. W. Williams Sur. owned by Milton Littell;

THENCE S. 207 vrs. to the N. W. Cor. of the Nath McElroy sur. Abst. No. 541;

THENCE E. along the N. Line of said McElroy Sur. 950 vrs. to N. E. Cor. of said Sur.

THENCE S. 950 vrs. to S. E. Cor. of said McElroy Sur., said point also being in the W. B. L. of the Seth Cary Sur. Ab. 1142;

THENCE S. about 60 E. 979 vrs. more or less, cross the Claude A. Willis 463.8 acre tract in said Seth Cary Sur., to the N. W. Line of the S. A. Lemons Sur. Abst. No. 1169, being a point 471 vrs S. 45 W. from the N. Cor. of the said Lemons Sur.;

THENCE N. 45 E. 471 vrs. to the N. Cor. of the S. A. Lemons Sur. Abst 1169;

THENCE S. 45 E. along N. E. B. L. of said Lemons Sur. 950 vrs. to its E. Cor;

THENCE S. 45 W. 873 Vrs. along said Lemons S.E.B.L. to its most Southerly S. Cor. also cor. on the N.E.B.L. of the Dora Boohr Sur. Abst. No. 102;

THENCE S. 45 E. 450 vrs. to the East Cor. of said Sooher Sur.

also on inner Cor. of the James Underhill Sur. Abst. No. 1007;

THENCE N. 107 vrs. to the most Northerly N.W. Cor. of said James Underhill Sur;

THENCE E. 447 vrs. to the N.E. Cor of said Underhill Sur;

THENCE S. 816 Vrs. to the most Southerly E. Cor. of said Underhill Sur. also a point in N.W.L. of the Alex G. Perryman Sur. Abst. No. 597, also being the most Southerly Cor. of the Seth Cary Sur. Abst No. 1142;

THENCE N. 45 E. about 430 Vrs. more or less to the N. Cor. of Alex G. Perryman Sur. Abst. No. 597 also being the W. Cor. of the J. L. Luckenback Sur. Ab. No. 1408;

THENCE S. 45 E. 751 Vrs. along N.E.B.L. of said Perryman Sur. to its E. Cor;

THENCE S. 45 W. 350 Vrs. more or less, to a point in the S.E.B.L. or said Perryman Sur. also being the most Northerly N. Cor. of the E. Willis (alias Ward) Sur. Abst No. 846;

THENCE S. 45 E. pass the S. Cor of the Geo. W. Fanning Sur. Abst. No. 1027, at 752 Vrs pass most Northerly E. Cor. of said E. Willis (alias Ward) Sur. which is also the N. Cor. of the J. B. McClyman Sur. Abst No. 494, continuing same course along N.E.B.L. of said McClyman Sur. and the S.W.B.L. of the J. F. Dlmore Sur. Abst No. 1532, to a point for cor., being the South corner of the said Elmore Sur. and the E. Cor. of said McClyman Sur;

THENCE S. 45° W. 1012 Vrs. along S.E.B.L. of said McClyman Sur. to its S. Cor., said point being an inner ell cor. of the L. N. Gambell Sur. Ab. No. 1029;

THENCE N. 45° W. 144 Vrs. Cor. on S.W.L. of the McClyman Sur.

also being the most Southerly E. Cor of the E. Willis Sur. also being the most Southerly N. Cor. of said L. N. Ganbell Sur;

THENCE S. 45° W. 525 Vrs. along the N.W.B.L. of said Gambell Sur to a point on N.E.B.L. of the J. W. Medley Sur. Abst No. 918;

THENCE S. 45° E. 96 Vrs. to E. Cor of the said J. W. Medley Sur;

THENCE S. 45° W. at 38 vrs. more or less, pass the most Northerly N. Cor. of the J. G. Barnes Sur. Abst No. 1134; at 138 vrs. more or less, the most Northerly W. Cor of said J. G. Barnes Sur. also being the North Cor. or the Francis Seeds Sur. Ab. 1043;

THENCE S. 45° E. with N.E.B.L. of said Francis Seeds sur, 324 vrs., more or less, to Cor in W.B.L. of road;

THENCE S. About 65° E. Crossing road 490 vrs. more or less, across to portion of a certain 5 acre tract once owned by Grace M. Wood out of said J. G. Barnes Sur. to an inner Cor. of the J. G. Barnes Sur. Abst. No. 1134;

THENCE S. 180 Vrs. Cor. on N.E.B.L. of said Francis Seeds Sur. Abst 1043;

THENCE S. 45° E. 70 Vrs., more or less, to the E. Cor. of said Francis Seeds Sur.;

THENCE S. 45° W. 485 Vrs. to a point on N.E.B.L. of the James Pettitt Sur. Abst. No. 928, said point being the most Northerly S. Cor. of said Seeds Sur.;

THENCE S. 45° E. 643 Vrs. along the N.E.B.L. of said James Pettitt Sur. to its E. Cor.;

THENCE S. 45° W. 136 Vrs. along S.E.B.L. of said Pettitt Sur. to the N. Cor. of the James Wichter Sur. Abst. No. 1270;

THENCE S. 433 Vrs. Cor. being an inner corner of said Wichter Sur. and also the most Southerly S.W. Cor. of the J. G. Barnes Sur. Abst. No. 1134;

THENCE E. 125 vrs. along the S.B.L. of said Barnes Survey to Cor. being the N.W. Cor. of the W. Dalton Sur. Abst. No. 1403;

THENCE S. 24° E. 919 Vrs. along S.W.B.L. of said Dalton Sur. and N.E. line of said Wichter Sur. to Corner, being the S.W. Cor. of the W. Dalton Svy Abst. No. 1403;

THENCE S.126 vrs. the N. Cor. of the K. Houghton Sur. Abst No. 337;

THENCE S. 45° E. 950 Vrs. along N.E.B.L. of said K. Haughton Sur. to a Cor. in the N.W.B.L. of the D. Busby Sur. Abst No. 43, at a point 211 vrs, S. 45 W. from the North Cor. of said Busby Sur. Said point also being the most Southerly S. Cor of the H. T. Mann Sur. Abst No. 1663 of 108-1/3 acres;

THENCE S 45° W. 739 vrs., more or less, along the N.W.L. of the D. Busby Sur. Abst. No. 43 to a Cor., being a point 950 vrs. S. 45 W. from the N. Cor. of said Busby Sur;

THENCE S. 45° E. 950 vrs. to a point in the N.W.B.L. of a certain 79-1/4 acre tract owned or once owned by Jane Arvil Ensey, said point being 950 vrs. S. 45 Deg. W. from the N. Cor. of said Busby Sur.;

THENCE N. 45° E. 475 vrs. Cor., being the N. Cor of said 79-1/4 acre Ensey tract out of said Busby Sur., said point also being 950 vrs. S. 45 Deg. E. and 475 Vrs. S. 45 Deg. W. from the N. Cor. of the D. Busby Sur;

THENCE S. 45° E. 950 Vrs. Cor. in the Southeast boundary line

of the D. Busby Sur. also the Northwest boundary line of the Manson Sheid Sur. Abst. No. 688;

THENCE N. 45 E 475 Var. Cor. being the E. Cor. of the D. Busby Sur. Abst No. 43, and the North Corner of the Manson Sheid Survey Abst. No. 688; also being a point in the Southwest boundary line of the G. W. Greg Sur. Abst No. 902;

THENCE S. 45 Deg. E. 1425 vrs. to corner in the Northeast boundary line of the said Sheid survey, being 475 vrs N. 45 Deg. W. from its East Cor. said point also being the West Corner of the Mark Noble survey Abst. No. 568;

THENCE N. 45 Deg. E. along the Northwest boundary line of said Mark Noble survey 1020-1/2 vrs corner in Northwest boundary line of said Novle survey, also in the Southeast boundary line of the J. A. Huskey Survey Abst., No. 965;

THENCE S. 45 Deg. E. 1934 vrs. more or less, crossing said Mark Noble Sur, to a point in the Southeast Boundary line of said Mark Noble survey, also a point on the N.W.B. line of the David Brederick Survey Abst. No. 78; said point being 904-1/2 vrs S. 45 Deg. W. from the East Corner of the said Mark Noble Survey;

THENCE N. 45 Deg. E. 468.5 vrs., more or less, along the S.E.B. line of the Noble survey and the N.W.B. line of the David Brederick survey Abst. No. 78; being the most Northerly N.W. corner of the said Brederick Survey, also being the Most Southerly West Corner of the J. J. Boyd survey Abst. No. 1338;

THENCE East 375 vrs. more or less, corner in the N.B.L. of said Brederick survey; said point being 880 vrs. West of the N.E. corner of David Brederick survey;

THENCE South crossing the David Brederick Survey Abst. No. 78, 1457 vrs., more or less, to a point in the most Southerly S.B. line of the Brederick survey, also the North line of the Robert F. Millard Survey Abst., No. 469, said point being 200 vrs. West of the N.E. corner of the Millard Survey;

THENCE East 200 vrs. to the N.E. corner of the Robert F. Millard Survey, also being the most Southerly S.E. corner of the Brederick survey, in the W.B. line of the Benjamine Heriage Survey Abst., No. 334 being a point 388 vrs. South of the N.W. corner of the said Benjamine Heriage Survey Abst. No. 334;

THENCE South along W.B. Line of the Heriage Survey 977 vrs. corner being a point 1365 vrs. South of the N.W corner of said Heriage survey, also being the S.E. corner of a 160 acre tract out of the Robert F. Millard Survey Abst. No. 469, owned or once owned by Mrs. Fannie M. Manrie et al;

THENCE East 600 vrs., more or less, across said Benjamine Heriage Survey to the Montague and Cooke Line, being a point 1423 vrs North and 600 vrs. East of the Southwest corner of the said Heriage Survey;

THENCE South with the Montague and Cooke County line to the S.W. corner of Cooke County, Texas;

THENCE East along the South Boundary line of Cooke County, Texas, to a point, beginning at a point where the West boundary line of the John H. Splawn or Zola Munster 70 acre tract out of the James Bolin Survey Abstract No. 34, intersects with North Boundary line of Wise County, Texas;

Same being about 8200 feet East from the Southwest corner of

Cooke County, Texas;

THENCE in Wise County, South along the West boundary line of said 70 acre tract to the Southwest corner of same; also being the NWC of a 60 acre tract in said survey owned or formerly owned by Splawn Muenster;

THENCE in a Southeasterly direction to the Southeast corner of said James Bolin survey, same being the Southeast corner of the Splawn Muenster's 60 acre tract above mentioned;

THENCE in an Easterly direction across the W. E. Best and Alma Brown tracts of land out of the Peter Maroney survey, Abst. No. 561 and J. B. Loyd survey, Abst. No. 331 to the North corner of the Hannible Bell survey Abst. No. 47; same being the North corner of the John Newton Maxwell 85.45 acre tract in said Bell survey;

THENCE along the N E line of said Hannible Bell survey to the S E corner of said John Newton Maxwell 85.4 acre tract;

THENCE in a Southerly direction across the land of Alma Brown in said Hannible Bell survey to the N.W. line of the Berry Merchant survey, Abst. No. 588; said point being about 275 feet from the North corner of said Merchant survey, and in the North line of the Alma Brown tract of land;

THENCE in a Southerly direction across the lands of Alma Brown to a point which is about midway between the Northwest line and the Southeast lines of the said Berry Merchant survey, and about 1000 feet from the Northeast line of the W. E. Fortenberry et al 196.29 acre tract out of said Berry Merchant survey;

THENCE Southeasterly to the South boundary line of the W. E. Fortenberry et al 196.29 acre tract being on the Southeast boundary

line of said Berry Merchant survey about 2000 feet from the SEC of said Berry Merchant survey;

THENCE in a Southeasterly direction across the W. E. Fortenberry 121.5 acre tract in the Benjamin McGaha survey Abst. No. 544, to the NWC of the Guinn Fortenberry 107.5 acre tract out of said Benjamin McGaha survey;

THENCE following the West line of said Guin Fortenberry 107.5 acre tract to the Southwest corner of same in the North line of the R. Z. Dempsy 65 acre tract in said survey;

THENCE across the North portion of said R. Z. Dempsy 65 acre tract to a point in the N.E. line of said tract which is about 700 feet from the North corner of same; said point being in the West line of the S. B. Hayes 150 acre tract in said survey

THENCE in a Southeasterly direction and easterly direction across the S. B. Hayes 150 acre tract in said survey to a point in the Southeast line of same;

THENCE Northeasterly along the Southeast line of said tract to the East or Southeast corner of same in the most easterly Northeast line of said Benjamin McGaha survey, same being the West corner of the Samuel Wood survey, Abst. No. 900;

THENCE in a Southeasterly direction along the Southwest line of the Samuel Wood survey, Abst. No. 900 to the South corner of same; said corner also being the NWC of the Levin McHall survey, Abst. No. 549;

THENCE in a Southeasterly direction along the SW boundary line of said Levin McHall survey to the South or Southwest corner of the Mrs. Laura C. Holt 97.25 acre tract in said Levin McHall survey;

said point also being the N.W. corner of the J. G. McCarrol 210 acre tract 85a in said survey;

THENCE in a Northeasterly direction along the S E line of said Mrs. Laura C. Holt 97.25 acre tract to the East or Southeast corner of same near the Wise-Denton County line;

THENCE in a Northeasterly direction about 200 feet across the land of Kathleen Brown Foreman in the Wm. Sweeney survey, Abst. No. 750 to a point in the East boundary line of Wise County, Texas, and the West boundary line of Denton County, Texas;

THENCE North with the East boundary line of Wise County, and the West boundary line of Denton County, Texas to the Northeast corner of said Wise County, Texas;

THENCE West on the North line of Wise County, Texas, and the South line of Cooke County, Texas;

THENCE South with West boundary line of Denton County, Texas, to a point 2000 feet North of the S. W. corner of the J. Thomas survey, Abst. No. 1239, Denton County, Texas;

THENCE: From the West boundary line of Denton County, S. 85 Deg. E. to a point in the East line of said Thomas Survey Abstract No. 1239 and the West line of the Domingo Diaz Survey, Abstract No. 376 that is 1000 feet North of the Common South corner of said Surveys;

THENCE S. 70 Deg. E. to a point in the South line of said Diaz Survey and the North line of the Samuel Turner Survey Abstract No. 1247, 600 feet West of their common East Corner;

THENCE S. 14 Deg. E. through said Turner Survey to an ell corner of said Turner Survey, same being the S.W. Cor. of the J.

McBride Survey, Abstract No. 861;

THENCE S. 55 Deg. E. through said Turner Survey, crossing the East line of said Turner Survey and the West line of the J. J. Farnsworth Survey, Abstract No. 1615, at a point 750 feet North of their common South corner, and continuing said course through said Farnsworth Survey to an inside ell corner of said Farnsworth Survey, same being an outside ell corner of the F. Y. Guthrie Survey, Abstract No. 442;

THENCE through said Guthrie Survey, S. 60 Deg. E. to a point in the East line of the C. F. Dickeson 317 acre tract and the West line of the C. C. Cunningham 200 acre tract in said Guthrie Survey that is 1645 feet North of the common South corner of said two tracts, same being a point midway in their common North and South property line;

THENCE South 35 Deg. E. through said Guthrie Survey to an inner ell corner of said Guthrie Survey, same being the S.W. Cor. of the A. H. Knox Survey, Abstract No. 1702;

THENCE continuing through said Guthrie Survey, S. 49 deg. E. to a point in its East line and the West line of the J. M. Ruiz Survey, that is 4528 feet North of the common South corner of said Guthrie and Ruiz Surveys;

THENCE S. 75 deg. E. through said Ruiz Survey to a point in the East line of the E. M. Davidson 485.56 acre tract and the West line of the Mrs. N. E. Buckley 385.86 acre tract in said Ruiz Survey, that is 3500 feet North of their common South corner;

THENCE N. 55 deg. E. through said Buckley tract to a point in its East line and the West line of the R. G. Cole tract in said Ruiz

Survey that is 1200 feet South of the Common North corner of said Buckley and Cole tracts;

THENCE S. 63 deg. E. crossing the East line of said Ruiz Survey and the West line of the Thomas Polk Survey, Abstract No. 1000 at a point that is 1200 feet North of the S.W. Cor. of said Polk Survey, and continuing said course passing the East line of said Polk Survey and the West line of the John Ruddell Survey, Abstract No. 1061, at a point 700 feet North of their common South corner, and continuing said course to a point in the South line of said Ruddell Survey and the most Easterly North line of said Ruiz Survey that is 1500 feet East of the S.W. Cor. of said Ruddell Survey;

THENCE S. 20 deg. E. through said Ruiz Survey, crossing the South line of said Ruiz Survey and the North line of the James C. Jack Survey, Abstract No. 659, at a point that is 300 feet West of the most Easterly S.E. Cor. of the Ruiz Survey, same being a point that is 422 feet West of the N.E. Cor. of the C. M. Pickett 120 acre tract in said J. C. Jack Survey;

THENCE S. 20 Deg. E. to a point in the East line of said C. M. Pickett 120 acre tract and the West line of the R. M. Evers 266.5 acre tract that is 2500 feet North of their common South Corner;

THENCE S. 40 Deg. E. through said Jack Survey to a point in the East line of said Jack Survey and the West line of the J. C. P. Melton Survey, Abstract No. 802, that is 2700 feet North of the S.W. Corner of said Melton Survey;

THENCE S. 32 Deg. E. through said Melton Survey, to a point in the South line of said Melton Survey and the North line of the Thomas Polk Survey, Abstract No. 997, that is 1,650 feet East of the

S.W. Cor. of said Melton Survey;

THENCE S. 50 Deg. E. to the S.E. Cor. of the W. E. Cox 151 acre tract, a point in the South line of said Polk Survey;

THENCE East along the South line of said Polk Survey to the East line of the G. C. & SF. R. R. Co. right-of-way;

THENCE N. 47 Deg. E. along the East line of said right-of-way to a point in said Melton Survey that is 2500 feet West and 100 feet North of the S.E. Cor. of said Melton Survey:

THENCE S. 72 Deg. E. to the S.E. Cor. of said Melton Survey; same being an inner ell corner of the John Ayers Survey, Abstract No. 2, and being the N.E. Cor. of the H. C. Barthold 182.5 acre tract in said Ayers Survey;

THENCE South along the East line of said Barthold tract to its S.E. Cor. in the South line of said Ayers Survey and the North line of the John W. Gibbons Survey, Abstract No. 446, and continuing South 200 feet to the Northeasterly right-of-way line of the G. C. & S. F. R. R. Co. in said Gibbons Survey;

THENCE along the N.E. right-of-way line of said railroad, S. 27 Deg. 37 Min. E. to the East line of said Gibbons Survey, 3000.00 feet North of its S.E. Cor;

THENCE South to the N.W. Cor. of the B.B.B. & C.R.R. Co. Survey, Abst No 141;

THENCE S. 62 Deg. E. crossing the East line of said B. B. B. & C. R. R. Co., Survey and the West line of the N. Wade Survey at a point that is 500 feet South of the N. W. Cor. of said Wade Survey; and continuing said course to a point in the East line of said Wade Survey, same being the N. W. Cor. of the N. H. Meisenheimer Survey

Abst No. 810;

THENCE S. 52 Deg. E. through said Meisenheimer Survey to the S. W. cor. of the F. N. Riney 94.5 acre tract in said Survey;

THENCE East through said Survey, crossing its East line and the West line of the Thomas Toby Survey, Abstract No. 1288, and crossing the East line of said Toby survey and the West line of the B. B. B. & C. R. R. Co Survey, Abstract No 186, to a point in the center of the old U. S. Highway No. 77;

THENCE S. 35 Deg. E. in the Center of said highway to a point in said B. B. B. & C. R. R. Co., survey in the North City Limits Boundary line of the City of Denton, Texas;

THENCE FOLLOWING AND ALONG SAID City Limits line, East to the West line of the Joseph Carter Survey, Abst No. 268, South to the center of the West line of said Carter Survey, East to Stuart Lane, North crossing the North line of said Carter Survey to the N. W. Cor. of the John Carter Survey, Abstract No. 274, same being the N. W. Cor. of the Holiday Park Addition to the City of Denton; S. 85 deg. E. along the North line of said Holiday Park and the North line of Norchester Additions to the N. E. Cor. of said Norchester Addition, a point in said John Carter Survey; S. 2 Deg. 45 min. W. 1351 feet to the South line of said John Carter Survey; West to the N. W. Corner of the Hardin Carter Survey, Abstract No. 281; South 660 feet to the North line of the R. E. A. power line 110 ft easement; S. 62 Deg. 48 min. E. along the North line of said Easement to the North line of the Windsor Park Addition in said H. Carter Survey; N. 62 deg. E. along the North line of said Windsor Park to the West line on the Wesley Pogue Survey, Abst. No. 1012, a

point 600 feet South of the N. W. Cor. of said Pogue Survey; N. 86 Deg 38 min. E. 439 feet to the N. E. Cor. of said Windsor Park Addition;

THENCE S. 1 deg. 07 min. E. 2345.4 feet to the North line of Texas State Highway No. 24; Westerly along the North line of said highway to the East line of the J. D. Lilly Survey, Abstract No. 762; South along the East line of the J. D. Lilly Survey and the West line of the Wm. Lloyd Survey, Abstract No. 773 to a point midway in the common North and South line of said surveys;

THENCE departing from said City of Denton City Limits Boundary line on a course S. 50 degrees East through said Wm. Lloyd, M. E. P. & P. R. R. Co., Survey, Abstract No 1473 and Abstract No 927 to a point in the East line of said Abstract no. 927 and the West line of the Moreau Forrest Survey, Abstract No. 417, being the S. W. Cor. of Block "B" and the N.W. Cor. of Block "C" of said Forrest Survey according to the plat of the Subdivision of said Survey, of Record in Volume 50, page 236 of the Deed Records of Denton County, Texas;

THENCE EAST in the center of a road between said Blocks B & C to the N. E. Cor. of Lot 4, Block B, of said Subdivision;

THENCE S. 60 deg. E. through said Forrest Survey to a point in the South line of Lot 2, Block "F" of said Subdivision 430 varas East of the S. W. Cor. of said Lot 2, same being a point in the West property line of the U. S. A. Garza-Little Elm Reservoir, known as the 535 foot Elevation Contour Line, as acquired originally by the City of Dallas, Texas, for the Lake Dallas Reservoir;

THENCE following and along said 535 foot contour line and the

property line of said Reservoir as set out and described by field notes and maps of record in the Office of the County Clerk of Denton County, Texas, in metes and bounds, reference to which is hereby made, in a generally Northerly direction through the said Moreau Forrest Survey, the William Dabbs Survey, Abstract No. 328, the T. H. Living Survey, Abstract No. 729, the J. Douthitt Survey, Abstract No. 329, the J. West Survey, Abstract No. 1331 to a point in the South line of said West Survey that is 1,100 varas East of the S. W. Cor. of said West Survey, said point being the S.E. Corner of the G.W. Martin Estate 460 acre tract in said West Survey;

THENCE North 2,994 varas to the N.E. Cor. of said 460 acres in the North line of said West Survey and the South line of the J. A. Clayton Survey, Abstract No. 221;

THENCE West 1030.5. varas to the N. W. Cor. of said West Survey and the S. W. Cor. of said Clayton Survey, same being the S. E. Cor. of the J. Petty Survey, Abstract No. 1027;

THENCE North along the East line of said Petty Survey 1,100 feet;

THENCE N. 70 deg. W. to the S.W. Cor. of the P. O'Leary Survey, Abstract No. 977, same being the middle S. E. Cor. of the John Thomas Survey, Abstract No. 1240;

THENCE North 816 varas to the N. E. Cor. of the W. N. Masters Estate 173 acre tract in said Thomas Survey;

THENCE West 190 varas to the S. E. Cor. of the E. L. Lynch 100 acre tract in said Thomas Survey;

THENCE North 1000 feet; THENCE N. 60 deg. W. through said 100 acre tract to a point in its West line at the S. E. Cor. of the

Kenneth Craver 27.50 acre tract in said Thomas Survey; THENCE N. 40 Deg. W. to the North line of said Thomas Survey and the South line of the W. A. Thompson Survey, Abstract No. 1238 that is 1,900 feet East of S. W. Cor. of said Thompson Survey;

THENCE North 2843 feet to a point in the North line of the Ellen Davis 318 acre tract in said Thompson Survey;

THENCE West 900 feet to the N. W. Cor. of said 318 acres in the West line of said Thompson Survey and the East line of the A. W. Patton Survey, Abstract No. 990;

THENCE North 1,060 feet to the N. E. Cor. of the Stormy Jackson 351.77 acre tract in said Patton Survey;

THENCE West 1320 feet to a point in the South line of the Kenneth Craver 222.84 acre tract in said Patton Survey;

THENCE North crossing the North line of said Patton Survey and the South line of the John Morton Survey, Abstract No. 792, continuing North to the North line of said Morton Survey and the South line of the Carmel Manchaca Survey, Abstract No. 790 at a point 1320 feet West of their common East Corner;

THENCE West 185 feet to the S. E. Corner of the Jessie Earl Seal 69 acre tract in said Manchaca Survey;

THENCE N. 30 deg. W. through said Manchaca Survey to the S. E. Cor. of the Mrs. Harriett McReynolds 209.5 acre tract in said Manchaca Survey;

THENCE North along the East line of said 209.5 acre tract 1800 feet;

THENCE West 3,009 feet to the N. W. Cor. of said 209.5 acres in the West line of said Manchaca Survey;

THENCE NORTH ALONG THE West line of said Manchaca Survey and the East line of the John Morton Survey, Abstract No. 792 to a point in the East line of the H. S. Talley 122 acre tract that is 1,952 feet South of the N. E. Cor. of said 122 acres;

THENCE N. 35 deg W. to a point in the North line of said 122 acres that is 1,500 feet West of its N. E. Cor.; THENCE North to the Northline of the H. S. Talley 127.5 acre tract in said Morton Survey, a point 1,500 feet West of the N. E. Cor. of said 127.5 acres;

THENCE N. 50 deg. W. crossing the West line of said Morton Survey and the East line of the Reuben Bebee Survey and continuing said course through said Bebee Survey to the S. E. Cor of the G. H. Davis 62.48 acre tract in said Bebee Survey; THENCE west 1,460 feet to the S. W. Cor. of said 62.43 acre tract;

THENCE S. 40 deg. W. to a point in the West line of the Bobby Joe Ready 69 acre tract and the East line of the B. B. Looper 80 acre tract in said Bebee Survey that is 1,000 feet North of the S. E. Cor. of said 80 acres and S. W. Cor. of said 69 acres;

THENCE N. 45 deg. W. through said Bebee Survey to the S. E. Cor. of the Legear and Cooper 184 acre tract in said Bebee Survey; THENCE West 2,669 feet to the S. W. Cor. of said 184 acres; THENCE North 4,732 feet to the N. W. Cor. of said 184 acres, a point in the North line of said Bebee Survey and the South line of the B. F. Lynch Survey, Abstract No. 725; THENCE West 500 feet to the S. E. Cor. of the F. N. Michael 100 acre tract in said Lynch Survey;

THENCE N. 40 deg. W. through said Lynch Survey to its West line and the East line of the William Mason Survey, Abst. No. 801, a

point 4500 feet North of the common South corner of said Mason & Lynch Surveys; THENCE West through said Mason Survey 5,062 feet to a point in the East line of the Ruby Seal Dennis 160 acre tract out of said Mason Survey that is 1,200 feet North of its S. E. Cor.; Thence N. 25 deg. W. crossing the North line of said Mason Survey and the South line of the B. B. B. & C. R. R. Co., Survey, Abstract No. 199 at a point 2700 feet East of the N. W. Cor. of said Mason Survey and continuing said course crossing the North line of said B. B. B. & C. R. R. Co. Survey at a point 4350 feet East of the S. W. Corner of the Edward Bradley Survey and continuing said course to a point in the North line of Denton County and the South line of Cooke County that is 4000 feet East of 670 feet North of the S. W. Cor. of said Bradley Survey.

THENCE North from the North Denton and the South Cooke County line to the N. W. corner of 90.7 acres out of the John Adda Survey Abst. No. 1177, owned by W. R. Chatfield;

THENCE W. 431 vrs to S. W. Cor of 91 acre tract owned by H. J. Hassenpflug;

THENCE N. 1117 varas to the N. E. Cor. of Willis Hester Survey #1200;

THENCE W. 1057 varas to S. W. Corner of B. B. B. & C. R. R. Co Surv Abst #1747;

THENCE N with the road to the corner of road;

THENCE W. 997-1/2 vrs to S. W. cor of 69.8 acres owned by Howard Springer formerly owned by Phillip Miller and the N. W. Cor. of 96-1/2 acres owned by R. L. Masten;

THENCE: North 1093 varas, to NE cor of a 113.75 acres owned by

T. J. Maston now owned by D. D. Roberson;

THENCE W 627 vrs to S. W. Cor of 50 acre tract owned by T. S. Stephens on N. line of 113.75 acres T. J. Maston land;

THENCE North 1795 vrs to N E cor of a 70 acres owned by W. S. Pace Estate and the N W cor of the 100 acres owned by Dan Flint;

THENCE West 190 varas to S. E. Cor of 117 acres of Isa Hudspeth, on the North line of 70 acres owned by W. S. Pace Estate.

THENCE North 894-1/2 vrs to N E corner of Isa Hudspeth 117 acres;

THENCE West 134 vrs to corner on N line of 117 acres owned by Isa Hudspeth;

THENCE North 767-1/2 varas to N. E. Cor of 40 acre tract owned by Lucy Mae Nichols;

THENCE West 240 vrs to S. E. Cor of a 155-1/2 acres on the S line of the J. Dillingham survey and the North line of Bushnell Garner Survey;

THENCE North 937 vrs to N E corner of 155-1/2 acres in the Dillingham Survey Abstract #297 owned by R. E. Nichols estate;

THENCE West 937 varas to N. W. cor. of a 155-1/2 acres owned by R. E. Nichols estate;

THENCE North 144 vrs to the N. E. Corner of 395 acres on the E. Line of the C. O. D. Gillan survey and the West line of Dillingham Survey;

THENCE West 1032 vrs to S. E. corner of W. G. Colwell 250 acres on North line 395 acres formerly owned by J. B. Dunningham estate and now owned by F. W. Fischer;

THENCE North 1362 vrs to N E corner of said Colwell 250 acres;

THENCE West 1036 vrs to N W cor. of the W. G. Colwell estate, out of the COD Gillan survey, which is also the S W corner of Robt A. Bently 286.6 acres tract out of the N W cor of said COD Gillan Survey:

THENCE South 500 vrs to S. E. corner a 346 acre formerly owned by G. D. Lewis estate now owned by Mrs Francis Jones Yarbrough;

THENCE West 1252 vrs to S. W. corner of the said 346 acre tract now owned by Francis Jones Yarbrough;

THENCE South 22 vrs to the S. E. corner a 100.67 a tract formerly owned by Robert Baird et al, now owned by Mrs Cora Staniforth;

THENCE South 234 vrs to S. E. Cor. of 132.95 acres of J. A. Wylie, now owned by Hubert Felderhoff;

THENCE West 847 vrs to S. W. Corner of said 132.95 acres;

THENCE North 556 vrs to S. E. Cor. of 50 acres of land out of the Thomas Cooke survey, owned by the estate of G. E. Bently, which is also the N. E. cor. of 80 acre tract owned by said Bentley Estate;

THENCE West 819 vrs to S W corner of said 50 acres;

THENCE North 650 vrs to S. E. Corner of the Williams 1000 acre tract; on the E. B. line of the H. Nail survey Abst. # 790 which is also the W. Line of the Thos. Cooke Survey;

THENCE West 2195 vrs to S. W. Corner of said Williams 1000 acres;

THENCE North 2388 vrs to the N W corner of the B M Williams estate 1000 acres out of N E cor. of the Nail Survey;

THENCE West 1090 vrs to S. W. cor. of P. G. Yarbrough survey Abst. No. 1175;

THENCE N 1900 vrs to N W cor. of said Yarbrough survey;

THENCE E. 174 vrs to S. W. corner of Melville Langham survey abst. no. 564;

THENCE North 1150 vrs to N. E. Corner of the Jones land in the James Lewis survey Abst. No. 567; on the West line of the Melville Langham Surv;

THENCE West 1506 varas a corner;

THENCE South 356 vrs a corner;

THENCE West 601-3/4 vrs a corner;

THENCE South 902-1/4 vrs to South line of Lewis survey, Abst. No. 567;

THENCE West 601 vrs to S W corner of said James Lewis survey;

THENCE North 800 vrs on the W B Line of James Lewis Survey to S E cor. Joseph Gregory 100a tract;

THENCE West 1013 vrs to S. W. corner of Joseph Gregory 100 acres now owned by Earl Bentley;

THENCE North 553 vrs to NW cor. of said 100 acres,

THENCE West 522 vrs to the S.E. cor. of 100 acre tract formerly owned by R. L. Hickcox;

THENCE North 650 vrs to the Gainesville and Forestburg road, being the S. Line of the BBB & CRR Co Survey Abst. No. 146; also N Line of Thos. Toby Surveys Abst. No. 1060 & #1062;

THENCE West 2605 vrs along the Gainesville and Forestburg road to the Muenster and Linn Schoolhouse road and the E. Line of the E. Langford Survey, Abst. No. 566;

THENCE North 950 vrs, along the E. Line of the said E. Langford survey;

THENCE West 4650 vrs parallel with N. Line of said Langford survey to the West line of said Langford Survey:

THENCE North 550 varas with the W. Line of said Langford survey to its North West corner;

THENCE West 878 vrs to the E. Line of the W. W. Hobson survey Abstract No. 481;

THENCE North 45 degrees West 900 vrs to the North line of the W. W. Hobson survey Abst. No. 481;

THENCE North 900 varas to the S. Corner of the BBB & CRR Co Survey Abstract No. 145;

THENCE North 55 degrees West, 1900 varas to West corner of said BBB & CRR Co Survey;

THENCE South 35 degrees West 180 vrs to the S. Corner of the W. T. & S. T. Perry Survey Abst. No. 1424;

THENCE North 55 degrees West 1900 vrs to the North corner of the SPRR Co Survey Abst. No. 985;

THENCE North 35 de. E. 181 vrs to the South corner of the BBB & CRR Co survey, Abst. #136;

THENCE North 55 degrees West with the South Boundary line of said BBB & CRR Co Survey, Abst. 136, at its intersection of the Cooke and Montague County lines, to the place of beginning.

[~~No error or discrepancy in the foregoing field notes shall adversely affect the validity of the Authority or the exercise of any power of the Authority granted herein, it being hereby found and determined that all of the territory and taxable property contained within such boundaries will be benefited by the works and improvements of the Authority.~~]

SECTION 2.02. To conform to Section 311.026, Government Code, the following sections of the Special District Local Laws Code are repealed:

(1) 3801.102;

(2) 3802.102;

(3) 3803.008;

(4) 3804.102;

(5) 3805.008;

(6) 3806.102;

(7) 3807.007;

(8) 3808.007;

(9) 3811.007;

(10) 3812.007;

(11) 3813.102;

(12) 3815.007;

(13) 3816.008;

(14) 6601.101(b);

(15) 6901.052;

(16) 8102.101(b);

(17) 8801.101(b);

(18) 9003.101(b); and

(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;

(14) Sections 1-3 and 5-32, Chapter 997, Acts of the 78th Legislature, Regular Session, 2003;

(15) Sections 1-3 and 5-33, Chapter 1160, Acts of the 78th Legislature, Regular Session, 2003;

(16) Sections 1-3 and 5-32, Chapter 1254, Acts of the

78th Legislature, Regular Session, 2003;

(17) Sections 1-3 and 5-26, Chapter 1159, Acts of the 78th Legislature, Regular Session, 2003;

(18) Sections 1-3 and 5-32, Chapter 1255, Acts of the 78th Legislature, Regular Session, 2003;

(19) Sections 1-3 and 5-20, Chapter 885, Acts of the 78th Legislature, Regular Session, 2003;

(20) Sections 1-3 and 5-20, Chapter 1297, Acts of the 78th Legislature, Regular Session, 2003;

(21) Sections 1-3 and 5-26, Chapter 765, Acts of the 78th Legislature, Regular Session, 2003;

(22) Sections 1, 2, and 4-33, Chapter 1292, Acts of the 78th Legislature, Regular Session, 2003;

(23) Sections 1-3 and 5-31, Chapter 987, Acts of the 78th Legislature, Regular Session, 2003;

(24) Sections 1-3 and 5-28, Chapter 777, Acts of the 78th Legislature, Regular Session, 2003;

(25) Articles 1-8, Subchapter B, Chapter 777, Acts of the 78th Legislature, Regular Session, 2003;

(26) Sections 1-3 and 5-21, Chapter 1157, Acts of the 78th Legislature, Regular Session, 2003;

(27) Sections 1 and 3-11, Chapter 66, Acts of the 55th Legislature, Regular Session, 1957;

(28) Sections 2-12, Chapter 26, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930;

(29) Sections 2-4, Chapter 108, Acts of the 56th Legislature, Regular Session, 1959;

(30) Section 2, Chapter 133, Acts of the 57th Legislature, Regular Session, 1961;

(31) Section 2, Chapter 247, Acts of the 57th Legislature, Regular Session, 1961;

(32) Sections 1-3, 4(b), and 5-14, Chapter 522, Acts of the 71st Legislature, Regular Session, 1989;

(33) Sections 1-3 and 5-18, Chapter 600, Acts of the 63rd Legislature, Regular Session, 1973;

(34) Sections 1, 2, and 4-11, Chapter 959, Acts of the 73rd Legislature, Regular Session, 1993;

(35) Sections 1 and 3-25, Chapter 357, Acts of the 61st Legislature, Regular Session, 1969 (V.A.C.S. Article 8280-438);

(36) Chapter 429, Acts of the 70th Legislature, Regular Session, 1987;

(37) Sections 2-8, Chapter 244, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S. Article 8280-286);

(38) Sections 1A-6, Chapter 523, Acts of the 54th Legislature, Regular Session, 1955 (V.A.C.S. Article 8280-189);

(39) Section 2, Chapter 1052, Acts of the 68th Legislature, Regular Session, 1983;

(40) Sections 1 and 3-14, Chapter 372, Acts of the 56th Legislature, Regular Session, 1959 (V.A.C.S. Article 8280-234);

(41) Chapter 605, Acts of the 63rd Legislature, Regular Session, 1973;

(42) Chapter 370, Acts of the 73rd Legislature, Regular Session, 1993;

(43) Chapter 544, Acts of the 74th Legislature,

Regular Session, 1995;

(44) Section 2, Chapter 1104, Acts of the 76th Legislature, Regular Session, 1999;

(45) Chapter 337, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S. Article 8280-296); and

(46) Sections 2 and 3, Chapter 582, Acts of the 62nd Legislature, Regular Session, 1971.

ARTICLE 4. GENERAL MATTERS

SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE. This Act is enacted under Section 43, Article III, Texas Constitution. This Act is intended as a codification only, and no substantive change in the law is intended by this Act. This Act does not increase or decrease the territory of any special district of the state as those boundaries exist on the effective date of this Act.

SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS LAW. (a) The repeal of a law, including a validating law, by this Act does not remove, void, or otherwise affect in any manner a validation under the repealed law. The validation is preserved and continues to have the same effect that it would have if the law were not repealed.

(b) Subsection (a) of this section does not diminish the saving provisions prescribed by Section 311.031, Government Code.

SECTION 4.03. EFFECTIVE DATE. This Act takes effect April 1, 2007.

S.B. No. 1029 By HARRIS

A BILL TO BE ENTITLED

AN ACT:

relating to the nonsubstantive revision of certain local laws concerning special districts, including conforming amendments.

MAR 07 2005 Filed with the Secretary of the Senate

MAR 14 2005 Read and referred to Committee on ADMINISTRATION

_____ Reported favorably _____

_____ Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

_____ Ordered not printed

_____ Laid before the Senate

_____ Senate and Constitutional Rules to permit consideration suspended by: { unanimous consent / ____ yeas, ____ nays

_____ Read second time, _____, and ordered engrossed by: { unanimous consent / a viva voce vote / ____ yeas, ____ nays

_____ Senate and Constitutional 3 Day Rule suspended by a vote of ____ yeas, ____ nays.

_____ Read third time, _____, and passed by: { A viva voce vote / ____ yeas, ____ nays

_____
SECRETARY OF THE SENATE

OTHER ACTION:

_____ Engrossed

_____ Sent to House

Engrossing Clerk _____.

_____ Received from the Senate

_____ Read first time and referred to Committee on _____

_____ Reported ____favorably (as amended) (as substituted)

_____ Sent to Committee on (Calendars) (Local & Consent Calendars)

_____ Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of ____ yeas, ____ nays, ____ present, not voting)

_____ Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of ____ yeas, ____ nays, ____ present, not voting.

_____ Read third time (amended); finally passed (failed to pass) by a (non-record vote) (record vote of ____ yeas, ____ nays, ____ present, not voting)

_____ Returned to Senate.

_____
CHIEF CLERK OF THE HOUSE

_____ Returned from House without amendment.

_____ Returned from House with ____ amendments.

_____ Concurred in House amendments by a viva voce vote ____ yeas, ____ nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____

_____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____ , Chairman;

_____ , _____ , _____ .

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
{ _____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote
{ _____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
{ _____ yeas, _____ nays