

By: Kuempel

H.B. No. 4306

A BILL TO BE ENTITLED

AN ACT

relating to authorizing the creation of a residential recreation district in certain counties.

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

SECTION 1. Subtitle A, Title 12, Local Government Code, is amended by adding Chapter 375A to read as follows:

CHAPTER 375A. RESIDENTIAL RECREATION DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 375A.001. LEGISLATIVE FINDINGS; PURPOSE. (a) The creation of a residential recreation district is declared to be essential to the accomplishment of the purposes of Section 52, Article III, Section 59, Article XVI, and Section 52-a, Article III, Texas Constitution, and to the accomplishment of the other public purposes stated in this chapter.

(b) The creation of districts is necessary to promote, develop, encourage, and maintain the public welfare in the residential areas of certain counties.

(c) A district is created to supplement and not supplant the services of the municipality or county. This chapter or the creation of a district under this chapter may not be interpreted to relieve a municipality or county from providing services to an area included in the district or to release the municipality or county from an obligation to provide services to an area included in the district.

1 (d) All of the land and other property to be included inside
2 a district's boundaries will be benefited by the works and projects
3 that are to be accomplished and the services to be provided by the
4 district.

5 (e) The district is created to serve a public use and
6 benefit.

7 (f) The creation of a district is essential to further the
8 public purposes of preserving the residential nature and
9 recreational use of property in the district and is in the public
10 interest.

11 (g) A district will promote the health, safety, and general
12 welfare of residents and the general public.

13 (h) A district is designed to provide needed funding for
14 residential recreational areas to preserve, maintain, and enhance
15 the public health, safety, and general welfare of its residents.

16 Sec. 375A.002. DEFINITIONS. In this chapter:

17 (1) "Board" means a board of directors of a district.

18 (2) "Bond" means any type of interest-bearing
19 obligation, including a bond, note, bond anticipation note,
20 certificate of participation, lease, contract, or other evidence of
21 indebtedness.

22 (3) "District" means a residential recreation
23 district created under this chapter.

24 Sec. 375A.003. NATURE OF DISTRICT; TORT CLAIMS. (a) A
25 district is a governmental agency and a political subdivision of
26 this state.

27 (b) A district is a unit of government for purposes of

1 Chapter 101, Civil Practice and Remedies Code (Texas Tort Claims
2 Act), and operations of a district are considered to be essential
3 governmental functions and not proprietary functions for all
4 purposes, including the application of the Texas Tort Claims Act.

5 [Sections 375A.004-375A.020 reserved for expansion]

6 SUBCHAPTER B. CREATION OF DISTRICT

7 Sec. 375A.021. AREAS ELIGIBLE FOR CREATION OF DISTRICT.

8 (a) A district may be created only in:

9 (1) a county with a population of more than 85,000 and
10 less than 100,000 that contains four or more lakes formed for
11 hydroelectric power; and

12 (2) a primarily residential area composed of
13 waterfront properties, platted subdivisions containing waterfront
14 properties, or properties adjoining waterfront properties in a
15 county described by Subdivision (1).

16 (b) A district may include noncontiguous territory if the
17 parcels included in the district's territory are properly described
18 by metes and bounds or by lot and block number.

19 (c) A district may include the extraterritorial
20 jurisdiction of a municipality with a population of 25,000 or more.

21 Sec. 375A.022. PETITION. (a) A district may be created
22 only if the governing body of the county in which the district is
23 proposed to be located receives a petition requesting creation of a
24 district.

25 (b) The petition must be signed by:

26 (1) the owners of a majority of the assessed value of
27 the real property in the proposed district, according to the most

1 recent certified county property tax rolls; or

2 (2) 25 persons who own real property in the proposed
3 district if, according to the most recent certified county property
4 tax rolls, more than 25 persons own real property in the proposed
5 district.

6 (c) The petition must:

7 (1) describe the boundaries of the proposed district
8 by metes and bounds or, if there is a recorded map or plat and survey
9 of the area, by lot and block number;

10 (2) state the specific purposes for which the district
11 will be created;

12 (3) describe the general nature of the services
13 proposed to be provided;

14 (4) include a name of the district, which must be
15 generally descriptive of the location of the district, followed by
16 "Residential Recreation District"; and

17 (5) include a proposed list of initial directors.

18 Sec. 375A.023. ELECTION ORDER. (a) The board shall record
19 on its minutes the date the petition is filed and the date it is
20 certified by the clerk or secretary of the municipality.

21 (b) If the petition contains the required number of
22 signatures and is in proper order, the county commissioners court
23 shall order a referendum election to be held on a uniform election
24 date authorized by Section 41.001(a), Election Code.

25 (c) The county commissioners court shall state in the order
26 the proposition to be voted on in the referendum election. The
27 order is prima facie evidence of compliance with all provisions

1 necessary to give it validity.

2 Sec. 375A.024. ORDER CREATING DISTRICT. (a) Not later than
3 the 20th day after the date the county judge receives the returns of
4 an election, if a majority of the votes cast are for creation of the
5 district, the judge shall make an entry in the records of the
6 commissioners court that the district is created. The judge shall
7 include in the entry the description of the district's boundaries.
8 The creation of the district is effective on the date the entry is
9 made.

10 (b) A certified copy of the entry and a plat of the district
11 must be recorded in the deed records of the county in which the
12 district is located.

13 [Sections 375A.025-375A.040 reserved for expansion]

14 SUBCHAPTER C. BOUNDARIES

15 Sec. 375A.041. COUNTY ORDER CHANGING BOUNDARIES. The
16 county commissioners court by order may change the boundaries of
17 the district.

18 Sec. 375A.042. MISTAKE IN BOUNDARY DESCRIPTION. A mistake
19 in the field notes or in copying the field notes of the boundaries
20 of a district does not affect:

21 (1) the district's organization, existence, and
22 validity;

23 (2) the district's right to impose and collect an
24 assessment or tax; or

25 (3) the legality or operation of the district or its
26 governing body.

27 Sec. 375A.043. ANNEXATION. A district may not annex any

1 other area.

2 Sec. 375A.044. EXCLUDING TERRITORY. (a) After a hearing,
3 the board by order may exclude land from the district's territory.

4 (b) The board on its own motion may call a hearing on the
5 question of the exclusion of land from the district's territory if
6 the board considers the exclusions practicable, just, or desirable.

7 (c) The board shall call a hearing on the exclusion of land
8 from the district's territory if a landowner files with the
9 secretary of the board a written petition requesting the hearing.

10 [Sections 375A.045-375A.060 reserved for expansion]

11 SUBCHAPTER D. ADMINISTRATIVE PROVISIONS; BOARD OF DIRECTORS

12 Sec. 375A.061. DIRECTORS; TERMS. (a) A district is
13 governed by a board of five directors who serve staggered four-year
14 terms.

15 (b) The board is responsible for the management, operation,
16 and control of district property.

17 Sec. 375A.062. INITIAL DIRECTORS; TERMS. (a) The county
18 commissioners court shall appoint the initial board from the list
19 of directors proposed under Section 375A.022(c)(5).

20 (b) The initial directors shall draw lots to determine which
21 two shall serve until the first regularly scheduled election of
22 directors and which three shall serve until the second regularly
23 scheduled election of directors.

24 Sec. 375A.063. ELECTION OF DIRECTORS. On the uniform
25 election date in May of each even-numbered year, the appropriate
26 number of directors shall be elected.

27 Sec. 375A.064. QUALIFICATIONS OF DIRECTOR. To be qualified

1 to serve as a director, a person must be at least 18 years old and:

2 (1) a resident of the district;

3 (2) an owner of property in the district;

4 (3) an owner of stock, whether beneficial or
5 otherwise, of a corporate owner of property in the district;

6 (4) an owner of a beneficial interest in a trust that
7 owns property in the district; or

8 (5) an agent, employee, or tenant of a person covered
9 by Subdivision (2), (3), or (4).

10 Sec. 375A.065. REMOVAL OF DIRECTOR. The county
11 commissioners court, on petition by a majority of the remaining
12 directors and after notice and hearing, may remove a director for
13 misconduct or failure to carry out the director's duties.

14 Sec. 375A.066. BOARD VACANCY. A vacancy in the office of
15 director shall be filled by appointment by the remaining members of
16 the board for the unexpired term.

17 Sec. 375A.067. DIRECTOR'S OATH OR AFFIRMATION. As soon as
18 practicable after a director is appointed or elected, the director
19 shall take the constitutional oath or affirmation of office. The
20 oath or affirmation shall be filed with the district and the
21 district shall retain the oath or affirmation in the district
22 records.

23 Sec. 375A.068. OFFICERS. After directors have qualified by
24 taking the oath or affirmation, the board shall organize by
25 electing a president, a vice president, a secretary, and any other
26 officers the board considers necessary.

27 Sec. 375A.069. BOARD POSITION NOT CIVIL OFFICE OF

1 EMOLUMENT. A position on the board may not be construed to be a
2 civil office of emolument for any purpose, including those purposes
3 described by Section 40, Article XVI, Texas Constitution.

4 Sec. 375A.070. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
5 EXPENSES. A director is not entitled to compensation for service on
6 the board but is entitled to be reimbursed for necessary expenses
7 incurred in carrying out the duties and responsibilities of a
8 director.

9 Sec. 375A.071. QUORUM. The concurrence of a majority of a
10 quorum of directors is required for any official action of the
11 district except that the written consent of at least four directors
12 is required to authorize the imposition of assessments, the levy of
13 taxes, or the imposition of impact fees.

14 Sec. 375A.072. PARTICIPATION IN VOTING. (a)
15 Notwithstanding any other law, a person who qualifies to serve on
16 the board under this section is qualified to serve as a director and
17 participate in all votes pertaining to the business of the
18 district.

19 (b) A director who has a beneficial interest in a business
20 entity that will receive a pecuniary benefit from an action of the
21 board may participate in discussion and vote on that action if a
22 majority of the board has a similar interest in the same action or
23 if all other similar business entities in the district will receive
24 a similar pecuniary benefit.

25 (c) An employee of a public entity may serve on the board of
26 directors of the district, but the public employee may not
27 participate in the discussion of or vote on any matter regarding

1 assessments on or contracts with the public entity of which the
2 director is an employee.

3 [Sections 375A.073-375A.090 reserved for expansion]

4 SUBCHAPTER E. POWERS AND DUTIES

5 Sec. 375A.091. GENERAL POWERS OF DISTRICT. (a) Except as
6 provided by this chapter, a district has the rights, powers,
7 privileges, authority, and functions conferred by the general law
8 of this state applicable to conservation and reclamation districts
9 created under Section 59, Article XVI, Texas Constitution,
10 including those conferred by Chapter 54, Water Code.

11 (b) The district may contract and manage its affairs and
12 money for any corporate purpose.

13 (c) The district has all the rights, powers, privileges,
14 authority, and functions conferred by the general law of this state
15 applicable to conservation and reclamation districts created under
16 Section 59, Article XVI, Texas Constitution, including those
17 conferred by Chapter 54, Water Code, and those of road districts and
18 road utility districts created pursuant to Section 52, Article III,
19 Texas Constitution, including the power to impose ad valorem taxes.
20 If the district is located wholly or partly in the extraterritorial
21 jurisdiction of a municipality, the ad valorem tax rate of the
22 district may not exceed the ad valorem tax rate of the municipality.

23 (d) A district has the rights, privileges, and functions of
24 a road utility district provided by Chapters 365 and 441,
25 Transportation Code.

26 Sec. 375A.092. SPECIFIC POWERS. (a) A district has the
27 powers necessary or convenient to carry out and effect the purposes

1 and provisions of this chapter, including the powers granted in
2 this section.

3 (b) A district has perpetual succession.

4 (c) A district may sue and be sued, institute and prosecute
5 suits without giving security for costs, and appeal from a judgment
6 without giving supersedeas or cost bond.

7 (d) A district may incur liabilities, borrow money on terms
8 and conditions the board determines, and issue notes or other
9 obligations.

10 (e) A district may acquire by grant, purchase, gift, devise,
11 lease, or otherwise, and may hold, use, sell, lease, or dispose of
12 real and personal property, and licenses, patents, rights, and
13 interests necessary, convenient, or useful for the full exercise of
14 any of its powers under this chapter.

15 (f) A district may acquire, construct, complete, develop,
16 own, operate, and maintain permanent improvements and provide
17 services inside and outside its boundaries.

18 (g) A district may enter into agreements with a person or
19 entity, public or private, for the joint use of facilities,
20 installations, and property.

21 (h) A district may establish and maintain reasonable and
22 nondiscriminatory rates, fares, tolls, charges, rents, or other
23 fees or compensation for the use of the improvements constructed,
24 operated, or maintained by the district.

25 (i) A district may enter into contracts, leases, and
26 agreements with and accept grants and loans from the United States
27 and its departments and agencies, the state and its agencies,

1 counties, municipalities, and political subdivisions, public or
2 private corporations, including a nonprofit corporation created
3 under a resolution of the board, and other persons and may perform
4 all acts necessary for the full exercise of the powers vested in it
5 on terms and conditions and for the term the board may determine to
6 be advisable.

7 (j) A district may acquire property under conditional sales
8 contracts, leases, equipment trust certificates, or any other form
9 of contract or trust agreement.

10 (k) A district may sell, lease, convey, or otherwise dispose
11 of any of its rights, interests, or properties that are not needed
12 for or, in the case of leases, that are not inconsistent with the
13 efficient operation and maintenance of the district's
14 improvements. A district may sell, lease, or otherwise dispose of
15 any surplus material or personal or real property not needed for its
16 requirements or for the purpose of carrying out its powers under
17 this chapter.

18 (l) A district may lease projects or any part of a project to
19 or contract for the use or operation of the projects or any part of a
20 project by any operator.

21 (m) A district may conduct hearings and take testimony and
22 proof, under oath or affirmation, at public hearings, on any matter
23 necessary to carry out the purposes of this chapter.

24 (n) A district may procure and pay premiums to insurers for
25 insurance of any type in amounts considered necessary or advisable
26 by the board.

27 (o) A district may do anything necessary, convenient, or

1 desirable to carry out the powers expressly granted or implied by
2 this chapter.

3 Sec. 375A.093. USE AND ALTERATION OF PUBLIC WAYS. (a) With
4 the consent of the county, the district may use the streets, alleys,
5 roads, highways, and other public ways and relocate, raise,
6 reroute, change the grade of, and alter the construction of any
7 street, alley, road, highway, railroad, electric lines and
8 facilities, telegraph and telephone properties and facilities,
9 pipelines and facilities, conduits and facilities, and other
10 property, whether publicly or privately owned, as necessary or
11 useful in the construction, reconstruction, repair, maintenance,
12 and operation of the system or to have those things done at the
13 district's sole expense.

14 (b) The district may not proceed with any action to change,
15 alter, or damage the property or facilities of the state, its
16 municipal corporations, agencies, or political subdivisions or of
17 owners rendering public services, or that will disrupt those
18 services being provided by others, or to otherwise inconvenience
19 the owners of that property or those facilities without having
20 first obtained the written consent of those owners. If the owners
21 of the property or facilities desire to handle the relocation,
22 raising, change in the grade of, or alteration in the construction
23 of the property or facilities with their own personnel or have the
24 work done by contractors of their own choosing, the district may
25 enter into agreements with the owners providing for the necessary
26 relocations, changes, or alterations of the property or facilities
27 by the owners or contractors and the reimbursement by the district

1 to those owners of the costs incurred by the owners in making those
2 relocations, changes, or alterations or having them accomplished by
3 contractors.

4 (c) If a district, in exercising any of the powers conferred
5 by this chapter, requires the relocation, adjustment, raising,
6 lowering, rerouting, or changing the grade of or altering the
7 construction of any street, alley, road, highway, overpass,
8 underpass, railroad track, bridge, or other facilities or property,
9 any electric lines, conduits, or other facilities or property, any
10 telephone or telegraph lines, conduits, or other facilities or
11 property, any gas transmission or distribution pipes, pipelines,
12 mains, or other facilities or property, any water, sanitary sewer
13 or storm sewer pipes, pipelines, mains, or other facilities or
14 property, any cable television lines, cables, conduits, or other
15 facilities or property, or any other pipelines and any facilities
16 or properties relating to those pipelines, those relocations,
17 adjustments, raising, lowering, rerouting, or changing of grade or
18 altering of construction must be accomplished at the sole cost and
19 expense of the district, and damages that are suffered by the owners
20 of the property or facilities shall be borne by the district.

21 Sec. 375A.094. NO EMINENT DOMAIN POWER. A district may not
22 exercise the power of eminent domain.

23 Sec. 375A.095. COST OF ADMINISTRATION. The district may
24 not pass any cost of administration on to any other governmental
25 entity except as provided by a contract with that governmental
26 entity.

27 Sec. 375A.096. SPECIFIC POWERS AND DUTIES OF BOARD. (a)

1 The board may:

2 (1) employ all persons, firms, partnerships, or
3 corporations considered necessary by the board for the conduct of
4 the affairs of the district, including a general manager,
5 bookkeepers, auditors, engineers, attorneys, financial advisors,
6 peace or traffic control officers, architects, and operating or
7 management companies and prescribe the duties, tenure, and
8 compensation of each;

9 (2) dismiss employees;

10 (3) adopt a district seal;

11 (4) invest money of the district in any investments
12 authorized by Subchapter A, Chapter 2256, Government Code;

13 (5) by resolution provide that an authorized
14 representative manage the district's money and invest and reinvest
15 the money of the district on terms the board considers advisable;

16 (6) establish a fiscal year for the district;

17 (7) establish a complete system of accounts for the
18 district; and

19 (8) designate one or more banks to serve as the
20 depository bank or banks.

21 (b) The board each year shall have prepared an audit of the
22 district's affairs by an independent certified public accountant or
23 a firm of independent certified public accountants. The board
24 shall make the audit open to public inspection.

25 (c) District money shall be deposited in the designated
26 depository bank or banks unless otherwise required by orders or
27 resolutions authorizing the issuance of the district's bonds or

1 notes. To the extent that funds in the depository bank or banks are
2 not insured by the Federal Deposit Insurance Corporation, they must
3 be secured in the manner provided by law for the security of funds
4 of counties. The board by resolution may authorize a designated
5 representative to supervise the substitution of securities pledged
6 to secure the district's money.

7 (d) The board may adopt and enforce reasonable rules and
8 regulations governing the administration of the district and its
9 programs and projects.

10 (e) The name of the district may be changed by board
11 resolution.

12 Sec. 375A.097. HEARINGS EXAMINER; ADMINISTRATIVE
13 PROCEDURE ACT. (a) The board may appoint a hearings examiner to
14 conduct any hearing called by the board, including a hearing
15 required by Chapter 395. The hearings examiner may be an employee
16 of the district or a member of the district's board.

17 (b) A hearing shall be conducted in accordance with Chapter
18 2001, Government Code.

19 [Sections 375A.098-375A.110 reserved for expansion]

20 SUBCHAPTER F. ASSESSMENTS

21 Sec. 375A.111. GENERAL POWERS RELATING TO ASSESSMENTS. In
22 addition to the powers provided herein, the board of a district may
23 undertake improvement projects and services that confer a special
24 benefit on all or a definable part of the district. The board may
25 impose and collect special assessments on property in that area,
26 based on the benefit conferred by the improvement project or
27 services, to pay all or part of the cost of the project or services.

1 If the board determines that there is a benefit to the district, the
2 district may provide improvement projects and services to an area
3 outside the boundaries of the district.

4 Sec. 375A.112. SPECIFIC POWERS RELATING TO ASSESSMENTS.

5 (a) An improvement project or services provided by the district may
6 include the construction, acquisition, improvement, relocation,
7 operation, maintenance, or provision of:

8 (1) landscaping; lighting, banners, and signs;
9 streets and sidewalks; pedestrian skywalks, crosswalks, and
10 tunnels; seawalls; marinas; drainage and navigation improvements;
11 pedestrian malls; solid waste, water, sewer, and power facilities,
12 including electrical, gas, steam, cogeneration, and chilled water
13 facilities; parks, plazas, lakes, rivers, bayous, ponds, and
14 recreation and scenic areas; historic areas; fountains; works of
15 art; off-street parking facilities, bus terminals, heliports, and
16 mass transit systems; and the cost of any demolition in connection
17 with providing any of the improvement projects;

18 (2) other improvements similar to those described in
19 Subdivision (1);

20 (3) the acquisition of real property or any interest
21 in real property in connection with an improvement project or
22 services authorized by this chapter, Chapter 54, Water Code, or
23 Chapter 365 or 441, Transportation Code;

24 (4) special supplemental services for advertising,
25 economic development, promoting the area in the district, health
26 and sanitation, public safety, maintenance, security, business
27 recruitment, development, elimination or relief of traffic

1 congestion, recreation, and cultural enhancement; and
2 (5) expenses incurred in the establishment,
3 administration, maintenance, and operation of the district or any
4 of its improvement projects or services.

5 (b) An improvement project on two or more streets or two or
6 more types of improvements may be included in one proceeding and
7 financed as one improvement project.

8 Sec. 375A.113. PROPOSED ASSESSMENTS. Improvement projects
9 or services may not be financed.

10 Sec. 375A.114. NOTICE OF HEARING. (a) Notice of the
11 hearing shall be given in a newspaper with general circulation in
12 the county in which the district is located. The final publication
13 must be made not later than the 30th day before the date of the
14 hearing.

15 (b) The notice must include:

16 (1) the time and place of the hearing;

17 (2) the general nature of the proposed improvement
18 project or services;

19 (3) the estimated cost of the improvement, including
20 interest during construction; and

21 (4) the proposed method of assessment.

22 (c) Written notice containing the information required by
23 Subsection (b) shall be mailed by certified mail, return receipt
24 requested, not later than the 30th day before the date of the
25 hearing. The notice shall be mailed to each property owner in the
26 district who will be subject to assessment at the current address of
27 the property to be assessed as reflected on the tax rolls.

1 Sec. 375A.115. CONCLUSION OF HEARING; FINDINGS. (a) A
2 hearing on the improvement project or services conducted by the
3 board or a hearings examiner may be adjourned from time to time.

4 (b) At the conclusion of the hearing, the board by
5 resolution or order shall make findings relating to the
6 advisability of the improvement project or services, the nature of
7 the improvement project or services, the estimated cost, the area
8 benefited, the method of assessment, and the method and time for
9 payment of the assessment.

10 (c) If a hearings examiner is appointed to conduct the
11 hearing, after conclusion of the hearing, the hearings examiner
12 shall file with the board a report stating the examiner's findings
13 and conclusions.

14 Sec. 375A.116. AREA TO BE ASSESSED. (a) The area of the
15 district to be assessed according to the findings of the board may
16 be the entire district or any part of the district and may be less
17 than the area proposed in the notice of the hearing.

18 (b) The area to be assessed may not include property that is
19 not within the district boundaries at the time of the hearing unless
20 there is an additional hearing, preceded by the required notice.

21 Sec. 375A.117. OBJECTIONS; IMPOSITION OF ASSESSMENT. (a)
22 At a hearing on proposed assessments, at any adjournment of the
23 hearing, or after consideration of the hearings examiner's report,
24 the board shall hear and rule on all objections to each proposed
25 assessment.

26 (b) The board may amend proposed assessments for any parcel.

27 (c) After all objections have been heard and action has been

1 taken with regard to those objections, the board by order or
2 resolution:

3 (1) shall impose the assessments as special
4 assessments on the property;

5 (2) shall specify the method of payment of the
6 assessments; and

7 (3) may provide that those assessments be paid in
8 periodic installments, including interest.

9 (d) Periodic installments must be in amounts sufficient to
10 meet annual costs for services and improvements as provided herein
11 and continue for the number of years required to retire
12 indebtedness or pay for the services to be rendered. The board may
13 provide interest charges or penalties for failure to make timely
14 payment and also may levy an amount to cover delinquencies and
15 expenses of collection.

16 (e) If assessments are imposed for more than one service or
17 improvement project, the board may provide that assessments
18 collected for one improvement project or service may be borrowed to
19 be used for another service or improvement project.

20 (f) The board shall establish a procedure for the
21 distribution or use of any assessments in excess of those necessary
22 to finance the improvement project or services for which those
23 assessments were collected.

24 Sec. 375A.118. APPORTIONMENT OF COST. The portion of the
25 cost of an improvement project or services to be assessed against
26 the property in the district shall be apportioned by the board based
27 on the special benefits accruing to the property because of the

1 improvement project or services. The cost may be assessed:

2 (1) equally by front foot or by square foot of land
3 area against all property in the district;

4 (2) against property according to the value of the
5 property as determined by the board, with or without regard to
6 structures or other improvements on the property; or

7 (3) on any other reasonable assessment plan that
8 results in imposing fair and equitable shares of the cost on
9 property similarly benefited.

10 Sec. 375A.119. ASSESSMENTS. The district may assess
11 residential and business property at different rates.

12 Sec. 375A.120. ASSESSMENT ROLL. If the total cost of an
13 improvement project or service is determined, the board shall
14 impose the assessments against each parcel of land against which an
15 assessment may be levied in the district. With regard to an
16 assessment for services, the board may impose an annual assessment
17 that may be lower but not higher than the initial assessment. The
18 board shall have an assessment roll prepared showing the
19 assessments against each property and the board's basis for the
20 assessment. The assessment roll shall be filed with the secretary
21 of the board or other officer who performs the function of secretary
22 and be open for public inspection.

23 Sec. 375A.121. INTEREST ON ASSESSMENTS; LIEN. (a)
24 Assessments bear interest at a rate specified by the board that may
25 not exceed the interest rate permitted by Chapter 1204, Government
26 Code.

27 (b) Interest on an assessment between the effective date of

1 the order or resolution imposing the assessment and the date the
2 first installment and any related penalty is payable shall be added
3 to the first installment. The interest or penalties on all unpaid
4 installments shall be added to each subsequent installment until
5 paid.

6 (c) An assessment or any reassessment and any interest and
7 penalties on that assessment or reassessment is a lien against the
8 property until it is paid.

9 (d) The owner of any property assessed may pay at any time
10 the entire assessment against any lot or parcel with accrued
11 interest to the date of the payment.

12 Sec. 375A.122. SUPPLEMENTAL ASSESSMENTS. After notice and
13 hearing in the manner required for original assessments, the board
14 may impose supplemental assessments to correct omissions or
15 mistakes in the assessment:

16 (1) relating to the total cost of the improvement
17 project or services; or

18 (2) covering delinquencies or costs of collection.

19 Sec. 375A.123. APPEAL. (a) After determination of an
20 assessment, a property owner may appeal the assessment to the
21 board. The property owner must file a notice of appeal with the
22 board not later than the 30th day after the date that the assessment
23 is adopted. The board shall set a date to hear the appeal.

24 (b) The property owner may appeal the board's decision on
25 the assessment to a court of competent jurisdiction. The property
26 owner must file notice of the appeal with the court of competent
27 jurisdiction not later than the 30th day after the date of the

1 board's final decision with respect to the assessment.

2 (c) Failure to file either of the notices in the time
3 required by this section results in a loss of the right to appeal
4 the assessment.

5 (d) If an assessment against a parcel of land is set aside by
6 a court of competent jurisdiction, found excessive by the board, or
7 determined to be invalid by the board, the board may make a
8 reassessment or new assessment of the parcel.

9 Sec. 375A.124. APPEAL OF ORDER. A person against whom an
10 assessment is made by board order may appeal the assessment to a
11 district court in the county in which the district is located in the
12 manner provided for the appeal of contested cases under Chapter
13 2001, Government Code. Review by the district court is by trial de
14 novo.

15 [Sections 375A.125-375A.160 reserved for expansion]

16 SUBCHAPTER G. EXEMPTIONS

17 Sec. 375A.161. GOVERNMENTAL ENTITIES; ASSESSMENTS. Terms
18 for payment of assessments by municipalities, counties, other
19 political subdivisions, and organizations exempt from federal
20 income tax under Section 501(c)(3), Internal Revenue Code of 1986,
21 shall be established by contract. Municipalities, counties, and
22 other political subdivisions may contract with the district under
23 terms and conditions those entities consider advisable to provide
24 for the payment of assessments.

25 Sec. 375A.162. RESIDENTIAL PROPERTY EXEMPTED BY BOARD. The
26 board may:

27 (1) exempt residential property from all or a part of

1 the assessments imposed; or

2 (2) determine that residential property will not be
3 benefited by the proposed improvement project or services.

4 [Sections 375A.163-375A.180 reserved for expansion]

5 SUBCHAPTER H. FUNDS

6 Sec. 375A.181. MONEY AVAILABLE FOR PAYMENT OF IMPROVEMENT
7 PROJECTS AND SERVICES. (a) The cost of any improvement project or
8 services, including interest during construction, may be paid from
9 general or available funds, assessments, or from taxes, revenues,
10 assessments, grants, gifts, contracts, leases, or any combination
11 of those sources of money.

12 (b) During the progress of any improvement project or
13 services, the board may issue temporary notes to pay the costs of
14 the improvement project or services.

15 [Sections 375A.182-375A.200 reserved for expansion]

16 SUBCHAPTER I. BONDS OR OBLIGATIONS; COUNTY APPROVAL FOR PROJECT

17 Sec. 375A.201. GENERAL OBLIGATION AND REVENUE BONDS. The
18 district has no authority to issue bonds.

19 Sec. 375A.202. COUNTY APPROVAL REQUIRED FOR IMPROVEMENT
20 PROJECTS. (a) A district must obtain approval from the county of
21 the plans and specifications of any improvement project that
22 involves the use of the rights-of-way of streets, roads, or
23 highways or the use of municipal land or any easements granted by
24 the county.

25 (b) The county is not obligated to pay any obligations of
26 the district.

27 [Sections 375A.203-375A.240 reserved for expansion]

1 SUBCHAPTER J. ELECTIONS

2 Sec. 375A.241. TIME OF ELECTION. (a) A maintenance tax
3 election and any other election held in a district may be held at
4 the same time and in conjunction with any other election.

5 (b) Elections shall be called and held as provided by the
6 appropriate provisions of Chapter 54, Water Code.

7 Sec. 375A.242. ELECTION CALLED BY BOARD. The board may call
8 an election for the purpose of voting on any measure.

9 [Sections 375A.243-375A.260 reserved for expansion]

10 SUBCHAPTER K. DISSOLUTION

11 Sec. 375A.261. DISSOLUTION BY BOARD VOTE. Except as
12 limited herein, the board of a district by majority vote may
13 dissolve the district at any time.

14 Sec. 375A.262. DISSOLUTION BY PETITION BY OWNERS. Except
15 as limited herein, the board shall dissolve the district on written
16 petition filed with the board by the owners of:

17 (1) 75 percent or more of the assessed value of the
18 property in the district based on the most recent certified county
19 property tax rolls; or

20 (2) 75 percent or more of the surface area of the
21 district, excluding streets, roads, highways, utility
22 rights-of-way, other public areas, and other property exempt from
23 assessment under Section 375A.162, according to the most recent
24 certified county property tax rolls.

25 Sec. 375A.263. DISSOLUTION BY ORDER OF COMMISSIONERS COURT.
26 The commissioners court of the county by a vote of not less than a
27 three-fourths majority of the board may by order dissolve the

1 district. The county shall take over the property and assets of the
2 district.

3 Sec. 375A.264. DISSOLUTION BY MUNICIPAL ANNEXATION. A
4 municipality may annex the district only if the municipality
5 annexes the district in its entirety and the municipality provides
6 all of the services to the residents of the district that the
7 district is providing. On annexation by a municipality, the
8 district is dissolved.

9 [Sections 375A.265-375A.280 reserved for expansion]

10 SUBCHAPTER L. CONTRACTS WITH DISTRICT

11 Sec. 375A.281. CONTRACTS WITH DISTRICT. Notwithstanding
12 any other law, a state agency, municipality, county, other
13 political subdivision, corporation, individual, or other entity
14 may contract with a district without further authorization to carry
15 out the purposes of this chapter.

16 [Sections 375A.282-375A.300 reserved for expansion]

17 SUBCHAPTER M. TAXES AND ZONING

18 Sec. 375A.301. SALES AND USE TAX. A district may not impose
19 a sales and use tax.

20 Sec. 375A.302. ZONING AND PLANNING. (a) A district has the
21 power of a municipality or county under Chapters 211 and 212 in the
22 area of the district, including an area of the district that is in
23 the boundaries of a municipality's or county's limited purpose
24 jurisdiction. On annexation of an area of the district for full
25 purposes by a municipality or county, the district's power to
26 regulate the area under Chapter 211 or 212 expires. The district
27 regains the power in an area if the municipality or county

1 disannexes the area.

2 (b) The board may divide the district into distinct areas as
3 provided by Section 211.005 to accomplish the purposes of this
4 chapter and Chapter 211.

5 Sec. 375A.303. REGIONAL DEVELOPMENT AGREEMENTS. (a) A
6 district may enter into regional development agreements with the
7 county that created the district, other municipalities, counties,
8 school districts, institutions of higher education, other
9 political subdivisions, and private interests to:

10 (1) promote and advance long-term economic
11 development in the district; or

12 (2) achieve the purposes for the district's creation
13 and to implement the powers provided to the district under this
14 chapter.

15 (b) A district, a municipality or county, a school district
16 whose boundary overlaps with a portion of a district, or an
17 institution of higher education may enter into an agreement to:

18 (1) fund improvements to school facilities and teacher
19 compensation of school districts or institutions of higher
20 education in the district; and

21 (2) develop programs provided for herein.

22 (c) Any agreement entered into with a school district under
23 this section shall be designed in such a way that the school
24 district funding under Title 2, Education Code, shall be not less
25 than the school district would have received had the school
26 district not entered into the agreement. This provision may be
27 waived by a school district board of trustees by specific action

1 suspending the provisions of this subsection.

2 SECTION 2. This Act takes effect September 1, 2009.