

1-1 By: Thompson of Brazoria H.B. No. 2332
 1-2 (Senate Sponsor - Taylor of Galveston)
 1-3 (In the Senate - Received from the House May 1, 2017;
 1-4 May 4, 2017, read first time and referred to Committee on
 1-5 Administration; May 9, 2017, reported favorably by the following
 1-6 vote: Yeas 6, Nays 0; May 9, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to the creation of the Brazoria County Management District
 1-19 No. 1; providing authority to issue bonds; providing authority to
 1-20 impose assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-22 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-23 Code, is amended by adding Chapter 3944 to read as follows:

1-24 CHAPTER 3944. BRAZORIA COUNTY MANAGEMENT DISTRICT NO. 1

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 3944.001. DEFINITIONS. In this chapter:

- 1-27 (1) "Board" means the district's board of directors.
- 1-28 (2) "County" means Brazoria County.
- 1-29 (3) "Director" means a board member.
- 1-30 (4) "District" means the Brazoria County Management

1-31 District No. 1.

1-32 Sec. 3944.002. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-33 (a) The district is a special district created under Section 59,
 1-34 Article XVI, Texas Constitution.

1-35 (b) The district is a governmental unit, as provided by
 1-36 Section 375.004, Local Government Code.

1-37 (c) This chapter does not waive any governmental or
 1-38 sovereign immunity from suit, liability, or judgment that would
 1-39 otherwise apply to the district.

1-40 Sec. 3944.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-41 REQUIRED. The temporary directors shall hold an election to
 1-42 confirm the creation of the district and to elect five permanent
 1-43 directors as provided by Section 49.102, Water Code.

1-44 Sec. 3944.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-45 temporary directors may not hold an election under Section 3944.003
 1-46 until each municipality in whose corporate limits or
 1-47 extraterritorial jurisdiction the district is located has
 1-48 consented by ordinance or resolution to the creation of the
 1-49 district and to the inclusion of land in the district.

1-50 Sec. 3944.005. PURPOSE; DECLARATION OF INTENT. (a) The
 1-51 creation of the district is essential to accomplish the purposes of
 1-52 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-53 Texas Constitution, and other public purposes stated in this
 1-54 chapter. By creating the district, the legislature has established
 1-55 a program to accomplish the public purposes set out in Sections 52
 1-56 and 52-a, Article III, Texas Constitution.

1-57 (b) The creation of the district is necessary to promote,
 1-58 develop, encourage, and maintain employment, commerce,
 1-59 transportation, housing, tourism, recreation, the arts,
 1-60 entertainment, economic development, safety, and the public
 1-61 welfare in the district.

2-1 (c) This chapter and the creation of the district may not be
 2-2 interpreted to relieve a municipality or the county from providing
 2-3 the level of services provided as of the effective date of the Act
 2-4 enacting this chapter to the area in the district. The district is
 2-5 created to supplement and not to supplant governmental services
 2-6 provided in the district.

2-7 Sec. 3944.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
 2-8 The district is created to serve a public use and benefit.

2-9 (b) All land and other property included in the district
 2-10 will benefit from the improvements and services to be provided by
 2-11 the district under powers conferred by Sections 52 and 52-a,
 2-12 Article III, and Section 59, Article XVI, Texas Constitution, and
 2-13 other powers granted under this chapter.

2-14 (c) The creation of the district is in the public interest
 2-15 and is essential to further the public purposes of:

2-16 (1) developing and diversifying the economy of the
 2-17 state;

2-18 (2) eliminating unemployment and underemployment; and

2-19 (3) developing or expanding transportation and
 2-20 commerce.

2-21 (d) The district will:

2-22 (1) promote the health, safety, and general welfare of
 2-23 residents, employers, potential employees, employees, visitors,
 2-24 and consumers in the district, and of the public;

2-25 (2) provide needed funding for the district to
 2-26 preserve, maintain, and enhance the economic health and vitality of
 2-27 the district territory as a community and business center; and

2-28 (3) promote the health, safety, welfare, and enjoyment
 2-29 of the public by providing pedestrian ways, road facilities,
 2-30 transit facilities, parking facilities, enhanced infrastructure,
 2-31 recreational facilities, public art objects, water and wastewater
 2-32 facilities, and drainage facilities, and by landscaping and
 2-33 developing certain areas in the district, which are necessary for
 2-34 the restoration, preservation, and enhancement of scenic beauty.

2-35 (e) Pedestrian ways along or across a street, whether at
 2-36 grade or above or below the surface, and street lighting, street
 2-37 landscaping, parking, and street art objects are parts of and
 2-38 necessary components of a street and are considered to be a street
 2-39 or road improvement.

2-40 (f) The district will not act as the agent or
 2-41 instrumentality of any private interest even though the district
 2-42 will benefit many private interests as well as the public.

2-43 Sec. 3944.007. DISTRICT TERRITORY. (a) The district is
 2-44 initially composed of the territory described by Section 2 of the
 2-45 Act enacting this chapter.

2-46 (b) The boundaries and field notes of the district contained
 2-47 in Section 2 of the Act enacting this chapter form a closure. A
 2-48 mistake in the field notes or in copying the field notes in the
 2-49 legislative process does not affect the district's:

2-50 (1) organization, existence, or validity;

2-51 (2) right to issue any type of bonds, notes, or other
 2-52 obligations for a purpose for which the district is created or to
 2-53 pay the principal of and interest on the bonds, notes, or other
 2-54 obligations;

2-55 (3) right to impose or collect an assessment or tax; or

2-56 (4) legality or operation.

2-57 Sec. 3944.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
 2-58 All or any part of the area of the district is eligible to be
 2-59 included in:

2-60 (1) a tax increment reinvestment zone created under
 2-61 Chapter 311, Tax Code;

2-62 (2) a tax abatement reinvestment zone created under
 2-63 Chapter 312, Tax Code;

2-64 (3) an enterprise zone created under Chapter 2303,
 2-65 Government Code; or

2-66 (4) an industrial district created under Chapter 42,
 2-67 Local Government Code.

2-68 Sec. 3944.009. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-69 DISTRICTS LAW. Except as otherwise provided by this chapter,

3-1 Chapter 375, Local Government Code, applies to the district.

3-2 Sec. 3944.010. LIBERAL CONSTRUCTION OF CHAPTER. This
3-3 chapter shall be liberally construed in conformity with the
3-4 findings and purposes stated in this chapter.

3-5 Sec. 3944.011. CONFLICTS OF LAW. This chapter prevails
3-6 over any provision of general law, including a provision of Chapter
3-7 375, Local Government Code, or Chapter 49, Water Code, that is in
3-8 conflict or inconsistent with this chapter.

3-9 SUBCHAPTER B. BOARD OF DIRECTORS

3-10 Sec. 3944.051. GOVERNING BODY; TERMS. (a) The district is
3-11 governed by a board of five directors elected or appointed as
3-12 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-13 (b) Except as provided by Section 3944.053, directors serve
3-14 staggered four-year terms.

3-15 Sec. 3944.052. COMPENSATION. A director is entitled to
3-16 receive fees of office and reimbursement for actual expenses as
3-17 provided by Section 49.060, Water Code. Sections 375.069 and
3-18 375.070, Local Government Code, do not apply to the board.

3-19 Sec. 3944.053. TEMPORARY DIRECTORS. (a) On or after the
3-20 effective date of the Act creating this chapter, the owner or owners
3-21 of a majority of the assessed value of the real property in the
3-22 district according to the most recent certified tax appraisal roll
3-23 for the county may submit a petition to the commission requesting
3-24 that the commission appoint as temporary directors the five persons
3-25 named in the petition. The commission shall appoint as temporary
3-26 directors the five persons named in the petition.

3-27 (b) Temporary directors serve until the earlier of:

3-28 (1) the date permanent directors are elected under
3-29 Section 3944.003; or

3-30 (2) the fourth anniversary of the effective date of
3-31 the Act creating this chapter.

3-32 (c) If permanent directors have not been elected under
3-33 Section 3944.003 and the terms of the temporary directors have
3-34 expired, successor temporary directors shall be appointed or
3-35 reappointed as provided by Subsection (d) to serve terms that
3-36 expire on the earlier of:

3-37 (1) the date permanent directors are elected under
3-38 Section 3944.003; or

3-39 (2) the fourth anniversary of the date of the
3-40 appointment or reappointment.

3-41 (d) If Subsection (c) applies, the owner or owners of a
3-42 majority of the assessed value of the real property in the district
3-43 according to the most recent certified tax appraisal roll for the
3-44 county may submit a petition to the commission requesting that the
3-45 commission appoint as successor temporary directors the five
3-46 persons named in the petition. The commission shall appoint as
3-47 successor temporary directors the five persons named in the
3-48 petition.

3-49 Sec. 3944.054. DISQUALIFICATION OF DIRECTORS. Section
3-50 49.052, Water Code, applies to the members of the board.

3-51 SUBCHAPTER C. POWERS AND DUTIES

3-52 Sec. 3944.101. GENERAL POWERS AND DUTIES. The district has
3-53 the powers and duties necessary to accomplish the purposes for
3-54 which the district is created.

3-55 Sec. 3944.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
3-56 district may provide, design, construct, acquire, improve,
3-57 relocate, operate, maintain, or finance an improvement project or
3-58 service using money available to the district, or contract with a
3-59 governmental or private entity to provide, design, construct,
3-60 acquire, improve, relocate, operate, maintain, or finance an
3-61 improvement project or service authorized under this chapter or
3-62 under Chapter 375, Local Government Code.

3-63 (b) An improvement project described by Subsection (a) may
3-64 be located inside or outside the district.

3-65 Sec. 3944.103. RECREATIONAL FACILITIES. The district may
3-66 develop or finance recreational facilities as authorized by Chapter
3-67 375, Local Government Code, Sections 52 and 52-a, Article III,
3-68 Texas Constitution, Section 59, Article XVI, Texas Constitution,
3-69 and any other law that applies to the district.

4-1 Sec. 3944.104. AUTHORITY FOR ROAD PROJECTS. Under Section
 4-2 52, Article III, Texas Constitution, the district may own, operate,
 4-3 maintain, design, acquire, construct, finance, issue bonds, notes,
 4-4 or other obligations for, improve, and convey to this state, a
 4-5 county, or a municipality for ownership, operation, and maintenance
 4-6 macadamized, graveled, or paved roads or improvements, including
 4-7 storm drainage, in aid of those roads.

4-8 Sec. 3944.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

4-9 (a) The district may convey a road project authorized by Section
 4-10 3944.104 to:

4-11 (1) a municipality or county that will operate and
 4-12 maintain the road if the municipality or county has approved the
 4-13 plans and specifications of the road project; or

4-14 (2) the state if the state will operate and maintain
 4-15 the road and the Texas Transportation Commission has approved the
 4-16 plans and specifications of the road project.

4-17 (b) Except as provided by Subsection (c), the district shall
 4-18 operate and maintain a road project authorized by Section 3944.104
 4-19 that the district implements and does not convey to a municipality,
 4-20 a county, or this state under Subsection (a).

4-21 (c) The district may agree in writing with a municipality, a
 4-22 county, or this state to assign operation and maintenance duties to
 4-23 the district, the municipality, the county, or this state in a
 4-24 manner other than the manner described in Subsections (a) and (b).

4-25 Sec. 3944.106. DEVELOPMENT CORPORATION POWERS. The
 4-26 district, using money available to the district, may exercise the
 4-27 powers given to a development corporation under Chapter 505, Local
 4-28 Government Code, including the power to own, operate, acquire,
 4-29 construct, lease, improve, or maintain a project under that
 4-30 chapter.

4-31 Sec. 3944.107. NONPROFIT CORPORATION. (a) The board by
 4-32 resolution may authorize the creation of a nonprofit corporation to
 4-33 assist and act for the district in implementing a project or
 4-34 providing a service authorized by this chapter.

4-35 (b) The nonprofit corporation:

4-36 (1) has each power of and is considered to be a local
 4-37 government corporation created under Subchapter D, Chapter 431,
 4-38 Transportation Code; and

4-39 (2) may implement any project and provide any service
 4-40 authorized by this chapter.

4-41 (c) The board shall appoint the board of directors of the
 4-42 nonprofit corporation. The board of directors of the nonprofit
 4-43 corporation shall serve in the same manner as the board of directors
 4-44 of a local government corporation created under Subchapter D,
 4-45 Chapter 431, Transportation Code, except that a board member is not
 4-46 required to reside in the district.

4-47 Sec. 3944.108. AGREEMENTS; GRANTS. (a) As provided by
 4-48 Chapter 375, Local Government Code, the district may make an
 4-49 agreement with or accept a gift, grant, or loan from any person.

4-50 (b) The implementation of a project is a governmental
 4-51 function or service for the purposes of Chapter 791, Government
 4-52 Code.

4-53 Sec. 3944.109. LAW ENFORCEMENT SERVICES. Section 49.216,
 4-54 Water Code, applies to the district.

4-55 Sec. 3944.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 4-56 district may join and pay dues to a charitable or nonprofit
 4-57 organization that performs a service or provides an activity
 4-58 consistent with the furtherance of a district purpose.

4-59 Sec. 3944.111. ECONOMIC DEVELOPMENT. (a) The district may
 4-60 engage in activities that accomplish the economic development
 4-61 purposes of the district.

4-62 (b) The district may establish and provide for the
 4-63 administration of one or more programs to promote state or local
 4-64 economic development and to stimulate business and commercial
 4-65 activity in the district, including programs to:

4-66 (1) make loans and grants of public money; and

4-67 (2) provide district personnel and services.

4-68 (c) The district may create economic development programs
 4-69 and exercise the economic development powers that:

5-1 (1) Chapter 380, Local Government Code, provides to a
5-2 municipality; and

5-3 (2) Subchapter A, Chapter 1509, Government Code,
5-4 provides to a municipality.

5-5 Sec. 3944.112. STRATEGIC PARTNERSHIP AGREEMENT. The
5-6 district may negotiate and enter into a written strategic
5-7 partnership agreement with a municipality under Section 43.0751,
5-8 Local Government Code.

5-9 Sec. 3944.113. REGIONAL PARTICIPATION AGREEMENT. The
5-10 district may negotiate and enter into a written regional
5-11 participation agreement with a municipality under Section 43.0754,
5-12 Local Government Code.

5-13 Sec. 3944.114. ANNEXATION OR EXCLUSION OF LAND. (a) The
5-14 district may annex land as provided by Subchapter J, Chapter 49,
5-15 Water Code.

5-16 (b) The district may exclude land as provided by Subchapter
5-17 J, Chapter 49, Water Code. Section 375.044(b), Local Government
5-18 Code, does not apply to the district.

5-19 (c) The district may include and exclude land as provided by
5-20 Sections 54.739-54.747, Water Code. A reference in those sections
5-21 to a "tax" means an ad valorem tax for the purposes of this
5-22 subsection.

5-23 (d) If the district adopts a sales and use tax authorized at
5-24 an election held under Section 3944.202 and subsequently includes
5-25 new territory in the district under this section, the district:

5-26 (1) is not required to hold another election to
5-27 approve the imposition of the sales and use tax in the included
5-28 territory; and

5-29 (2) shall impose the sales and use tax in the included
5-30 territory as provided by Chapter 321, Tax Code.

5-31 (e) If the district adopts a sales and use tax authorized at
5-32 an election held under Section 3944.202 and subsequently excludes
5-33 territory in the district under this section, the sales and use tax
5-34 is inapplicable to the excluded territory, as provided by Chapter
5-35 321, Tax Code, but is applicable to the territory remaining in the
5-36 district.

5-37 Sec. 3944.115. APPLICABILITY OF OTHER LAW TO CERTAIN
5-38 CONTRACTS. (a) Subchapter I, Chapter 49, Water Code, applies to a
5-39 district contract for construction work, equipment, materials, or
5-40 machinery. Notwithstanding Section 2269.003(a), Government Code,
5-41 the district may use a project delivery method described by
5-42 Subchapter I, Chapter 49, Water Code, or Subchapters A-G, I, and J,
5-43 Chapter 2269, Government Code.

5-44 (b) Notwithstanding Subsection (a), the board may adopt
5-45 rules governing the receipt of bids and the award of a district
5-46 contract and providing for the waiver of the competitive bid
5-47 process if:

5-48 (1) there is an emergency;

5-49 (2) the needed materials are available only from one
5-50 source;

5-51 (3) in a procurement requiring design by the supplier
5-52 competitive bidding would not be appropriate and competitive
5-53 negotiation, with proposals solicited from an adequate number of
5-54 qualified sources, would permit reasonable competition consistent
5-55 with the nature and requirements of the procurement; or

5-56 (4) after solicitation, it is ascertained that there
5-57 will be only one bidder.

5-58 (c) Section 375.223, Local Government Code, does not apply
5-59 to the district.

5-60 Sec. 3944.116. TERMS OF EMPLOYMENT; COMPENSATION. The
5-61 board may employ and establish the terms of employment and
5-62 compensation of an executive director or general manager and any
5-63 other district employees the board considers necessary.

5-64 Sec. 3944.117. PARKING FACILITIES. (a) The district may
5-65 acquire, lease as lessor or lessee, construct, develop, own,
5-66 operate, and maintain parking facilities or a system of parking
5-67 facilities, including lots, garages, parking terminals, or other
5-68 structures or accommodations for parking motor vehicles off the
5-69 streets and related appurtenances.

6-1 (b) The district's parking facilities serve the public
 6-2 purposes of the district and are owned, used, and held for a public
 6-3 purpose even if leased or operated by a private entity for a term of
 6-4 years.

6-5 (c) The district's parking facilities are parts of and
 6-6 necessary components of a street and are considered to be a street
 6-7 or road improvement.

6-8 (d) The development and operation of the district's parking
 6-9 facilities may be considered an economic development program.

6-10 Sec. 3944.118. NO EMINENT DOMAIN POWER. The district may
 6-11 not exercise the power of eminent domain.

6-12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

6-13 Sec. 3944.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 6-14 board by resolution shall establish the number of directors'
 6-15 signatures and the procedure required for a disbursement or
 6-16 transfer of district money.

6-17 Sec. 3944.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
 6-18 The district may acquire, construct, finance, operate, maintain, or
 6-19 provide any improvement or service authorized under this chapter or
 6-20 Chapter 375, Local Government Code, using any money available to
 6-21 the district.

6-22 Sec. 3944.153. PETITION REQUIRED FOR FINANCING SERVICES AND
 6-23 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 6-24 service or improvement project with assessments under this chapter
 6-25 unless a written petition requesting that service or improvement
 6-26 has been filed with the board.

6-27 (b) The petition must be signed by the owners of a majority
 6-28 of the assessed value of real property in the district subject to
 6-29 assessment according to the most recent certified tax appraisal
 6-30 roll for the county.

6-31 Sec. 3944.154. METHOD OF NOTICE FOR HEARING. The district
 6-32 may mail the notice required by Section 375.115(c), Local
 6-33 Government Code, by certified or first class United States mail.
 6-34 The board shall determine the method of notice.

6-35 Sec. 3944.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
 6-36 The board by resolution may impose and collect an assessment for any
 6-37 purpose authorized by this chapter in all or any part of the
 6-38 district without regard to whether that area is already subject to
 6-39 or overlaps with an area of the district that is subject to a prior
 6-40 assessment imposed by the board.

6-41 (b) An assessment, a reassessment, or an assessment
 6-42 resulting from an addition to or correction of the assessment roll
 6-43 by the district, penalties and interest on an assessment or
 6-44 reassessment, an expense of collection, and reasonable attorney's
 6-45 fees incurred by the district are:

6-46 (1) a first and prior lien against the property
 6-47 assessed;

6-48 (2) superior to any other lien or claim other than a
 6-49 lien or claim for county, school district, or municipal ad valorem
 6-50 taxes; and

6-51 (3) the personal liability of and a charge against the
 6-52 owners of the property even if the owners are not named in the
 6-53 assessment proceedings.

6-54 (c) The lien is effective from the date of the board's
 6-55 resolution imposing the assessment until the date the assessment is
 6-56 paid. The board may enforce the lien in the same manner that the
 6-57 board may enforce an ad valorem tax lien against real property.

6-58 (d) The board may make a correction to or deletion from the
 6-59 assessment roll that does not increase the amount of assessment of
 6-60 any parcel of land without providing notice and holding a hearing in
 6-61 the manner required for additional assessments.

6-62 Sec. 3944.156. TAX AND ASSESSMENT ABATEMENTS. The district
 6-63 may designate reinvestment zones and may grant abatements of a tax
 6-64 or assessment on property in the zones.

6-65 Sec. 3944.157. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS.
 6-66 The district may not impose an assessment on the property,
 6-67 including the equipment, rights-of-way, facilities, or
 6-68 improvements, of:

6-69 (1) an electric utility or a power generation company

7-1 as defined by Section 31.002, Utilities Code;

7-2 (2) a gas utility as defined by Section 101.003 or

7-3 121.001, Utilities Code;

7-4 (3) a telecommunications provider as defined by

7-5 Section 51.002, Utilities Code; or

7-6 (4) a person who provides to the public cable

7-7 television or advanced telecommunications services.

7-8 Sec. 3944.158. RESIDENTIAL PROPERTY. Section 375.161,

7-9 Local Government Code, does not apply to:

7-10 (1) a tax imposed by the district; or

7-11 (2) a required payment for a service provided by the

7-12 district, including water and sewer service.

7-13 Sec. 3944.159. OPERATION AND MAINTENANCE TAX. (a) If

7-14 authorized at an election held under Section 3944.163, the district

7-15 may impose an annual operation and maintenance tax on taxable

7-16 property in the district in accordance with Section 49.107, Water

7-17 Code, for any district purpose, including to:

7-18 (1) operate and maintain the district;

7-19 (2) construct or acquire improvements; or

7-20 (3) provide a service.

7-21 (b) The board shall determine the tax rate. The rate may not

7-22 exceed the rate approved at the election.

7-23 (c) Section 49.107(h), Water Code, does not apply to the

7-24 district.

7-25 Sec. 3944.160. CONTRACT TAXES. In accordance with Section

7-26 49.108, Water Code, the district may impose a tax other than an

7-27 operation and maintenance tax and use the revenue derived from the

7-28 tax to make payments under a contract after the provisions of the

7-29 contract have been approved by a majority of the district voters

7-30 voting at an election held for that purpose.

7-31 Sec. 3944.161. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS

7-32 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms

7-33 determined by the board.

7-34 (b) The district may by competitive bid or negotiated sale

7-35 issue bonds, notes, or other obligations payable wholly or partly

7-36 from taxes, including ad valorem taxes, or assessments, fees,

7-37 revenue, contract payments, grants, or other district money, or any

7-38 combination of those sources of money, to pay for any authorized

7-39 district purpose.

7-40 (c) In addition to any other terms authorized by the board

7-41 by bond order or resolution, the proceeds of the district's bonds

7-42 may be used for a reserve fund, credit enhancement, or capitalized

7-43 interest for the bonds.

7-44 (d) The limitation on the outstanding principal amount of

7-45 bonds, notes, and other obligations provided by Section 49.4645,

7-46 Water Code, does not apply to the district.

7-47 Sec. 3944.162. TAXES FOR BONDS. At the time the district

7-48 issues bonds payable wholly or partly from ad valorem taxes, the

7-49 board shall provide for the annual imposition of a continuing

7-50 direct ad valorem tax, without limit as to rate or amount, while all

7-51 or part of the bonds are outstanding as required and in the manner

7-52 provided by Sections 54.601 and 54.602, Water Code.

7-53 Sec. 3944.163. ELECTIONS REGARDING TAXES AND BONDS. (a)

7-54 The district may issue, without an election, bonds, notes, and

7-55 other obligations secured by:

7-56 (1) revenue other than ad valorem taxes; or

7-57 (2) contract payments described by Section 3944.160.

7-58 (b) The district must hold an election in the manner

7-59 provided by Subchapter L, Chapter 375, Local Government Code, to

7-60 obtain voter approval before the district may impose an ad valorem

7-61 tax or sales and use tax or issue bonds payable from ad valorem

7-62 taxes.

7-63 (c) Section 375.243, Local Government Code, does not apply

7-64 to the district.

7-65 (d) All or any part of any facilities or improvements that

7-66 may be acquired by a district through the issuance of district bonds

7-67 may be included in one single proposition to be voted on at the

7-68 election or the bonds may be submitted in several propositions.

7-69 Sec. 3944.164. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT

8-1 OBLIGATIONS. Except as provided by Section 375.263, Local
 8-2 Government Code, a municipality is not required to pay a bond, note,
 8-3 or other obligation of the district.

8-4 Sec. 3944.165. AUDIT EXEMPTION. (a) The district may elect
 8-5 to complete an annual financial report in lieu of an annual audit
 8-6 under Section 375.096(a)(6), Local Government Code, if:

8-7 (1) the district had no bonds or other long-term (more
 8-8 than one year) liabilities outstanding during the fiscal period;

8-9 (2) the district did not have gross receipts from
 8-10 operations, loans, taxes, assessments, or contributions in excess
 8-11 of \$250,000 during the fiscal period; and

8-12 (3) the district's cash and temporary investments were
 8-13 not in excess of \$250,000 during the fiscal period.

8-14 (b) Each annual financial report prepared in accordance
 8-15 with this section must be open to public inspection and accompanied
 8-16 by an affidavit signed by a duly authorized representative of the
 8-17 district attesting to the accuracy and authenticity of the
 8-18 financial report.

8-19 (c) The annual financial report and affidavit shall be
 8-20 substantially similar in form to the annual financial report and
 8-21 affidavit forms prescribed by the executive director of the Texas
 8-22 Commission on Environmental Quality under Section 49.198, Water
 8-23 Code.

8-24 SUBCHAPTER E. SALES AND USE TAX

8-25 Sec. 3944.201. APPLICABILITY OF CERTAIN TAX CODE
 8-26 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
 8-27 computation, administration, enforcement, and collection of the
 8-28 sales and use tax authorized by this subchapter except to the extent
 8-29 Chapter 321, Tax Code, is inconsistent with this chapter.

8-30 (b) A reference in Chapter 321, Tax Code, to a municipality
 8-31 or the governing body of a municipality is a reference to the
 8-32 district or the board, respectively.

8-33 Sec. 3944.202. ELECTION; ADOPTION OF TAX. (a) The district
 8-34 may adopt a sales and use tax if authorized by a majority of the
 8-35 voters of the district voting at an election held for that purpose.

8-36 (b) The board by order may call an election to authorize the
 8-37 adoption of the sales and use tax. The election may be held on any
 8-38 uniform election date and in conjunction with any other district
 8-39 election.

8-40 (c) The ballot shall be printed to provide for voting for or
 8-41 against the proposition: "Authorization of a sales and use tax in
 8-42 the Brazoria County Management District No. 1 at a rate not to
 8-43 exceed _____ percent" (insert rate of one or more increments of
 8-44 one-eighth of one percent).

8-45 Sec. 3944.203. SALES AND USE TAX RATE. (a) On or after the
 8-46 date the results are declared of an election held under Section
 8-47 3944.202, at which the voters approved imposition of the tax
 8-48 authorized by this subchapter, the board shall determine and adopt
 8-49 by resolution or order the initial rate of the tax, which must be in
 8-50 one or more increments of one-eighth of one percent.

8-51 (b) After the election held under Section 3944.202, the
 8-52 board may increase or decrease the rate of the tax by one or more
 8-53 increments of one-eighth of one percent.

8-54 (c) The initial rate of the tax or any rate resulting from
 8-55 subsequent increases or decreases may not exceed the lesser of:

8-56 (1) the maximum rate authorized by the district voters
 8-57 at the election held under Section 3944.202; or

8-58 (2) a rate that, when added to the rates of all sales
 8-59 and use taxes imposed by other political subdivisions with
 8-60 territory in the district, would result in the maximum combined
 8-61 rate prescribed by Section 321.101(f), Tax Code, at any location in
 8-62 the district.

8-63 Sec. 3944.204. TAX AFTER MUNICIPAL ANNEXATION. (a) This
 8-64 section applies to the district after a municipality annexes part
 8-65 of the territory in the district and imposes the municipality's
 8-66 sales and use tax in the annexed territory.

8-67 (b) If at the time of annexation the district has
 8-68 outstanding debt or other obligations payable wholly or partly from
 8-69 district sales and use tax revenue, Section 321.102(g), Tax Code,

9-1 applies to the district.

9-2 (c) If at the time of annexation the district does not have
 9-3 outstanding debt or other obligations payable wholly or partly from
 9-4 district sales and use tax revenue, the district may:

9-5 (1) exclude the annexed territory from the district,
 9-6 if the district has no outstanding debt or other obligations
 9-7 payable from any source; or

9-8 (2) reduce the sales and use tax in the annexed
 9-9 territory by resolution or order of the board to a rate that, when
 9-10 added to the sales and use tax rate imposed by the municipality in
 9-11 the annexed territory, is equal to the sales and use tax rate
 9-12 imposed by the district in the district territory that was not
 9-13 annexed by the municipality.

9-14 Sec. 3944.205. NOTIFICATION OF RATE CHANGE. The board
 9-15 shall notify the comptroller of any changes made to the tax rate
 9-16 under this subchapter in the same manner the municipal secretary
 9-17 provides notice to the comptroller under Section 321.405(b), Tax
 9-18 Code.

9-19 Sec. 3944.206. USE OF REVENUE. Revenue from the sales and
 9-20 use tax imposed under this subchapter is for the use and benefit of
 9-21 the district and may be used for any district purpose. The district
 9-22 may pledge all or part of the revenue to the payment of bonds,
 9-23 notes, or other obligations, and that pledge of revenue may be in
 9-24 combination with other revenue, including tax revenue, available to
 9-25 the district.

9-26 Sec. 3944.207. ABOLITION OF TAX. (a) Except as provided by
 9-27 Subsection (b), the board may abolish the tax imposed under this
 9-28 subchapter without an election.

9-29 (b) The board may not abolish the tax imposed under this
 9-30 subchapter if the district has outstanding debt secured by the tax,
 9-31 and repayment of the debt would be impaired by the abolition of the
 9-32 tax.

9-33 (c) If the board abolishes the tax, the board shall notify
 9-34 the comptroller of that action in the same manner the municipal
 9-35 secretary provides notice to the comptroller under Section
 9-36 321.405(b), Tax Code.

9-37 (d) If the board abolishes the tax or decreases the tax rate
 9-38 to zero, a new election to authorize a sales and use tax must be held
 9-39 under Section 3944.202 before the district may subsequently impose
 9-40 the tax.

9-41 (e) This section does not apply to a decrease in the sales
 9-42 and use tax authorized under Section 3944.204(c)(2).

9-43 SUBCHAPTER F. HOTEL OCCUPANCY TAX

9-44 Sec. 3944.251. DEFINITION. In this subchapter, "hotel" has
 9-45 the meaning assigned by Section 156.001, Tax Code.

9-46 Sec. 3944.252. APPLICABILITY OF CERTAIN TAX CODE
 9-47 PROVISIONS. (a) For purposes of this subchapter:

9-48 (1) a reference in Subchapter A, Chapter 352, Tax
 9-49 Code, to a county is a reference to the district; and

9-50 (2) a reference in Subchapter A, Chapter 352, Tax
 9-51 Code, to the commissioners court is a reference to the board.

9-52 (b) Except as inconsistent with this subchapter, Subchapter
 9-53 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
 9-54 by this subchapter, including the collection of the tax, subject to
 9-55 the limitations prescribed by Sections 352.002(b) and (c), Tax
 9-56 Code.

9-57 Sec. 3944.253. TAX AUTHORIZED; USE OF REVENUE. The
 9-58 district may impose a hotel occupancy tax for any purpose described
 9-59 by Section 351.101 or 352.101, Tax Code.

9-60 Sec. 3944.254. TAX RATE. (a) The amount of the hotel
 9-61 occupancy tax may not exceed the lesser of:

9-62 (1) the maximum rate prescribed by Section 352.003(a),
 9-63 Tax Code; or

9-64 (2) a rate that, when added to the rates of all hotel
 9-65 occupancy taxes imposed by other political subdivisions with
 9-66 territory in the district and by this state, does not exceed the sum
 9-67 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
 9-68 percent.

9-69 (b) The district tax is in addition to a tax imposed by a

10-1 municipality under Chapter 351, Tax Code, or by the county under
 10-2 Chapter 352, Tax Code.

10-3 Sec. 3944.255. INFORMATION. The district may examine and
 10-4 receive information related to the imposition of hotel occupancy
 10-5 taxes to the same extent as if the district were a county.

10-6 Sec. 3944.256. USE OF REVENUE. The district may use revenue
 10-7 from the hotel occupancy tax for any district purpose that is an
 10-8 authorized use of hotel occupancy tax revenue under Chapter 351 or
 10-9 352, Tax Code. The district may pledge all or part of the revenue to
 10-10 the payment of bonds, notes, or other obligations and that pledge of
 10-11 revenue may be in combination with other revenue available to the
 10-12 district.

10-13 Sec. 3944.257. ABOLITION OF TAX. (a) Except as provided by
 10-14 Subsection (b), the board may abolish the tax imposed under this
 10-15 subchapter.

10-16 (b) The board may not abolish the tax imposed under this
 10-17 subchapter if the district has outstanding debt secured by the tax,
 10-18 and repayment of the debt would be impaired by the abolition of the
 10-19 tax.

10-20 SUBCHAPTER G. DISSOLUTION BY BOARD

10-21 Sec. 3944.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
 10-22 DEBT. (a) The board may dissolve the district regardless of
 10-23 whether the district has debt. Section 375.264, Local Government
 10-24 Code, does not apply to the district.

10-25 (b) If the district has debt when it is dissolved, the
 10-26 district shall remain in existence solely for the purpose of
 10-27 discharging its debts. The dissolution is effective when all debts
 10-28 have been discharged.

10-29 SECTION 2. The Brazoria County Management District No. 1
 10-30 initially includes all the territory contained in the following
 10-31 area:

10-32 A METES & BOUNDS description of a certain 745.8 acre tract of
 10-33 land situated in the H.T.&B.R.R. Company Survey, Abstract No. 251,
 10-34 the A. A. Talmage Survey, Abstract No. 554, the A. A. Talmage
 10-35 Survey, Abstract No. 553 and the James L Holmes Heirs Survey,
 10-36 Abstract No. 610, all in Brazoria County, Texas and being out of a
 10-37 called 2856.555 acre tract of land (Tract 1) conveyed to Dee S.
 10-38 Osborne by the deed recorded in Volume 1159, Page 715 of the
 10-39 Brazoria County Deed Records, a called 98.2535 acre tract of land
 10-40 conveyed to Southeast Properties, Ltd by the deed recorded in
 10-41 Clerk's File No. 92-33050 of the Brazoria County Official Public
 10-42 Records and a called 109.232 acre tract of land conveyed to
 10-43 Southeast Properties, LTD recorded in Volume 1221, Page 362 of the
 10-44 Brazoria County Deed Records; said 745.8 acre tract being more
 10-45 particularly described as follows with all bearings being based on
 10-46 the Texas Coordinate System, South Central Zone, NAD 83;

10-47 COMMENCING at a found concrete monument at the northeast
 10-48 corner of said 98.2535 acres also being in the southerly
 10-49 right-of-way line of FM 1462;

10-50 THENCE, South 86°56'14" West, along the northerly line of said
 10-51 98.2535 and 2856.555 acre tracts, common with the southerly
 10-52 right-of-way line of said FM 1462, a distance of 1005.62 feet to a
 10-53 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
 10-54 corner") for the POINT OF BEGINNING of the herein described tract;

10-55 THENCE, over and across said 98.2535 and 2856.555 acre tracts
 10-56 the following seven (7) bearings and distances;

10-57 1) South 33°31'32" East, a distance of 2191.74 feet to
 10-58 a point for corner;

10-59 2) South 32°16'42" East, a distance of 473.37 feet to a
 10-60 point for corner;

10-61 3) South 33°50'21" East, a distance of 1651.19 feet to
 10-62 a point for corner;

10-63 4) South 34°22'34" East, a distance of 700.44 feet to a
 10-64 point for corner;

10-65 5) South 67°37'10" East, a distance of 885.98 feet to a
 10-66 point for corner;

10-67 6) South 68°00'23" East, a distance of 1178.08 feet to
 10-68 a point for corner;

10-69 7) South 67°16'53" East, a distance of 1365.55 feet to

11-1 the beginning of a non-tangent curve to the left;
 11-2 THENCE, continuing over and across said 2856.555 acres and
 11-3 along the arc of said non-tangent curve to the left having a radius
 11-4 of 5280.00 feet, a central angle of 21°24'05", an arc length of
 11-5 1972.22 feet, and a long chord bearing South 51°53'34" East, 1960.78
 11-6 feet to a point at the beginning of a compound curve to the left;

11-7 THENCE, continuing over and across said 2856.555 acres and
 11-8 along the arc of said compound curve to the left having a radius of
 11-9 5280.00 feet, a central angle of 07°33'42", an arc length of 696.84
 11-10 feet, and a long chord bearing South 48°41'21" East, 696.33 feet to a
 11-11 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
 11-12 corner") in the southeasterly line of said 2856.555 acre tract,
 11-13 common with the northwesterly line of a called 110.21 acre tract of
 11-14 land conveyed to Patrick D. Moller and wife, Suzanne Moller by the
 11-15 deed recorded in Clerk's File No. 96-005947 of the Brazoria County
 11-16 Official Public Records;

11-17 THENCE, South 59°36'38" West, along the southeasterly line of
 11-18 said 2856.555 acre tract, common with the northwesterly lines of
 11-19 said 110.21 acres and a called 5440.64 acre tract of land conveyed
 11-20 to HRI Development Corporation by the deed recorded in Clerk's File
 11-21 No. 88544-596 of the Brazoria County Official Public Records, a
 11-22 distance of 2868.79 feet to a set 3/4-inch iron rod (with cap
 11-23 stamped "Jones|Carter property corner");

11-24 THENCE over and across said 2856.555 and 109.232 acre tracts
 11-25 the following six (6) bearings and distances;

11-26 1) North 67°38'45" West, a distance of 2391.22 feet to
 11-27 a point for corner;

11-28 2) North 67°31'02" West, a distance of 2641.65 feet to
 11-29 a point for corner;

11-30 3) North 33°08'38" West, a distance of 825.02 feet to a
 11-31 point for corner;

11-32 4) North 37°02'29" West, a distance of 125.27 feet to a
 11-33 point for corner;

11-34 5) North 34°06'46" West, a distance of 525.85 feet to a
 11-35 point for corner;

11-36 6) North 32°45'11" West, a distance of 1737.40 feet to
 11-37 a point for corner;

11-38 THENCE, North 33°07'56" West, continuing over and across said
 11-39 2856.55 and 109.232 acre tracts, a distance of 1574.72 feet to a set
 11-40 3/4-inch iron rod (with cap stamped "Jones|Carter property corner")
 11-41 in a northerly line of said 2856.555 acre tract, common with the
 11-42 southerly line of a called 80.74 acre tract of land (Tract 2)
 11-43 conveyed to South Associates by the deed recorded in Volume 1420,
 11-44 Page 710 of the Brazoria County Deed Records;

11-45 THENCE, North 86°55'53" East, along said common line, 256.28
 11-46 feet to the southeast corner of said 80.74 acre tract also being in
 11-47 the westerly line of the aforementioned 109.232 acre tract;

11-48 THENCE, North 02°27'26" West, along the westerly line of said
 11-49 109.232 acre tract, common with the easterly line of said 80.74 acre
 11-50 tract, a distance of 2584.43 feet to a set 3/4-inch iron rod (with
 11-51 cap stamped "Jones|Carter property corner") at the northwest corner
 11-52 of said 109.232 acre tract also being in the southerly right-of-way
 11-53 line of said FM 1462;

11-54 THENCE, North 87°01'47" East, along the northerly line of said
 11-55 109.232 and 2856.555 acre tracts, common with the southerly
 11-56 right-of-way line of said FM 1462, a distance of 1590.81 feet to the
 11-57 POINT OF BEGINNING, CONTAINING 745.8 acres of land in Brazoria
 11-58 County, Texas.

11-59 SECTION 3. (a) The legal notice of the intention to
 11-60 introduce this Act, setting forth the general substance of this
 11-61 Act, has been published as provided by law, and the notice and a
 11-62 copy of this Act have been furnished to all persons, agencies,
 11-63 officials, or entities to which they are required to be furnished
 11-64 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 11-65 Government Code.

11-66 (b) The governor, one of the required recipients, has
 11-67 submitted the notice and Act to the Texas Commission on
 11-68 Environmental Quality.

11-69 (c) The Texas Commission on Environmental Quality has filed

12-1 its recommendations relating to this Act with the governor,
12-2 lieutenant governor, and speaker of the house of representatives
12-3 within the required time.

12-4 (d) The general law relating to consent by political
12-5 subdivisions to the creation of districts with conservation,
12-6 reclamation, and road powers and the inclusion of land in those
12-7 districts has been complied with.

12-8 (e) All requirements of the constitution and laws of this
12-9 state and the rules and procedures of the legislature with respect
12-10 to the notice, introduction, and passage of this Act have been
12-11 fulfilled and accomplished.

12-12 SECTION 4. This Act takes effect immediately if it receives
12-13 a vote of two-thirds of all the members elected to each house, as
12-14 provided by Section 39, Article III, Texas Constitution. If this
12-15 Act does not receive the vote necessary for immediate effect, this
12-16 Act takes effect September 1, 2017.

12-17

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