

1-1 By: Bell of Montgomery (Senate Sponsor - Creighton) H.B. No. 4644
1-2 (In the Senate - Received from the House May 6, 2019;
1-3 May 6, 2019, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 16, 2019, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 7,
1-6 Nays 0; May 16, 2019, 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 COMMITTEE SUBSTITUTE FOR H.B. No. 4644 By: Lucio

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the creation of the Wood Trace Management District of
1-20 Montgomery County, Texas; providing authority to issue bonds;
1-21 providing authority to impose assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-24 Code, is amended by adding Chapter 3967 to read as follows:

1-25 CHAPTER 3967. WOOD TRACE MANAGEMENT DISTRICT OF MONTGOMERY COUNTY,
1-26 TEXAS

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 3967.0101. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "County" means Montgomery County.

1-31 (3) "Director" means a board member.

1-32 (4) "District" means the Wood Trace Management
1-33 District of Montgomery County, Texas.

1-34 Sec. 3967.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-35 (a) The district is a special district created under Section 59,
1-36 Article XVI, Texas Constitution.

1-37 (b) The district is a governmental unit, as provided by
1-38 Section 375.004, Local Government Code.

1-39 (c) This chapter does not waive any governmental or
1-40 sovereign immunity from suit, liability, or judgment that would
1-41 otherwise apply to the district.

1-42 Sec. 3967.0103. PURPOSE; DECLARATION OF INTENT. (a) The
1-43 creation of the district is essential to accomplish the purposes of
1-44 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-45 Texas Constitution, and other public purposes stated in this
1-46 chapter. By creating the district, the legislature has established
1-47 a program to accomplish the public purposes set out in Sections 52
1-48 and 52-a, Article III, Texas Constitution.

1-49 (b) The creation of the district is necessary to promote,
1-50 develop, encourage, and maintain employment, commerce,
1-51 transportation, housing, tourism, recreation, the arts,
1-52 entertainment, economic development, safety, and the public
1-53 welfare in the district.

1-54 (c) This chapter and the creation of the district may not be
1-55 interpreted to relieve a municipality or the county from providing
1-56 the level of services provided as of the effective date of the Act
1-57 enacting this chapter to the area in the district. The district is
1-58 created to supplement and not to supplant governmental services
1-59 provided in the district.

1-60 Sec. 3967.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2-1 (a) The district is created to serve a public use and benefit.
2-2 (b) All land and other property included in the district
2-3 will benefit from the improvements and services to be provided by
2-4 the district under powers conferred by Sections 52 and 52-a,
2-5 Article III, and Section 59, Article XVI, Texas Constitution, and
2-6 other powers granted under this chapter.
2-7 (c) The creation of the district is in the public interest
2-8 and is essential to further the public purposes of:
2-9 (1) developing and diversifying the economy of the
2-10 state;
2-11 (2) eliminating unemployment and underemployment; and
2-12 (3) developing or expanding transportation and
2-13 commerce.
2-14 (d) The district will:
2-15 (1) promote the health, safety, and general welfare of
2-16 residents, employers, potential employees, employees, visitors,
2-17 and consumers in the district, and of the public;
2-18 (2) provide needed funding for the district to
2-19 preserve, maintain, and enhance the economic health and vitality of
2-20 the district territory as a community and business center;
2-21 (3) promote the health, safety, welfare, and enjoyment
2-22 of the public by providing pedestrian ways, transit facilities,
2-23 parking facilities, and public art objects, and by landscaping and
2-24 developing certain areas in the district, which are necessary for
2-25 the restoration, preservation, and enhancement of scenic beauty;
2-26 and
2-27 (4) provide for water, wastewater, drainage, road, and
2-28 recreational facilities for the district.
2-29 (e) Pedestrian ways along or across a street, whether at
2-30 grade or above or below the surface, and street lighting, street
2-31 landscaping, parking, and street art objects are parts of and
2-32 necessary components of a street and are considered to be a street
2-33 or road improvement.
2-34 (f) The district will not act as the agent or
2-35 instrumentality of any private interest even though the district
2-36 will benefit many private interests as well as the public.
2-37 Sec. 3967.0105. DISTRICT TERRITORY. (a) The district is
2-38 initially composed of the territory described by Section 2 of the
2-39 Act enacting this chapter.
2-40 (b) The boundaries and field notes of the district contained
2-41 in Section 2 of the Act enacting this chapter form a closure. A
2-42 mistake in the field notes or in copying the field notes in the
2-43 legislative process does not affect the district's:
2-44 (1) organization, existence, or validity;
2-45 (2) right to issue any type of bonds for a purpose for
2-46 which the district is created or to pay the principal of and
2-47 interest on the bonds;
2-48 (3) right to impose or collect an assessment or tax; or
2-49 (4) legality or operation.
2-50 Sec. 3967.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-51 All or any part of the area of the district is eligible to be
2-52 included in:
2-53 (1) a tax increment reinvestment zone created under
2-54 Chapter 311, Tax Code;
2-55 (2) a tax abatement reinvestment zone created under
2-56 Chapter 312, Tax Code;
2-57 (3) an enterprise zone created under Chapter 2303,
2-58 Government Code; or
2-59 (4) an industrial district created under Chapter 42,
2-60 Local Government Code.
2-61 Sec. 3967.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-62 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-63 Chapter 375, Local Government Code, applies to the district.
2-64 Sec. 3967.0108. LIBERAL CONSTRUCTION OF CHAPTER. This
2-65 chapter shall be liberally construed in conformity with the
2-66 findings and purposes stated in this chapter.
2-67 Sec. 3967.0109. CONFLICTS OF LAW. This chapter prevails
2-68 over any provision of general law, including a provision of Chapter
2-69 375, Local Government Code, or Chapter 49, Water Code, that is in

3-1 conflict or inconsistent with this chapter.

3-2 SUBCHAPTER B. BOARD OF DIRECTORS

3-3 Sec. 3967.0201. GOVERNING BODY; TERMS. (a) The district is
3-4 governed by a board of five directors elected or appointed as
3-5 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-6 (b) Except as provided by Section 3967.0203, directors
3-7 serve staggered four-year terms.

3-8 Sec. 3967.0202. COMPENSATION. A director is entitled to
3-9 receive fees of office and reimbursement for actual expenses as
3-10 provided by Section 49.060, Water Code. Sections 375.069 and
3-11 375.070, Local Government Code, do not apply to the board.

3-12 Sec. 3967.0203. TEMPORARY DIRECTORS. (a) On or after the
3-13 effective date of the Act creating this chapter, the owner or owners
3-14 of a majority of the assessed value of the real property in the
3-15 district according to the most recent certified tax appraisal roll
3-16 for the county may submit a petition to the Texas Commission on
3-17 Environmental Quality requesting that the commission appoint as
3-18 temporary directors the five persons named in the petition. The
3-19 commission shall appoint as temporary directors the five persons
3-20 named in the petition.

3-21 (b) The temporary or successor temporary directors shall
3-22 hold an election to elect five permanent directors as provided by
3-23 Section 49.102, Water Code.

3-24 (c) Temporary directors serve until the earlier of:

3-25 (1) the date permanent directors are elected under
3-26 Subsection (b); or

3-27 (2) the fourth anniversary of the effective date of
3-28 the Act creating this chapter.

3-29 (d) If permanent directors have not been elected under
3-30 Subsection (b) and the terms of the temporary directors have
3-31 expired, successor temporary directors shall be appointed or
3-32 reappointed as provided by Subsection (e) to serve terms that
3-33 expire on the earlier of:

3-34 (1) the date permanent directors are elected under
3-35 Subsection (b); or

3-36 (2) the fourth anniversary of the date of the
3-37 appointment or reappointment.

3-38 (e) If Subsection (d) applies, the owner or owners of a
3-39 majority of the assessed value of the real property in the district
3-40 according to the most recent certified tax appraisal roll for the
3-41 county may submit a petition to the Texas Commission on
3-42 Environmental Quality requesting that the commission appoint as
3-43 successor temporary directors the five persons named in the
3-44 petition. The commission shall appoint as successor temporary
3-45 directors the five persons named in the petition.

3-46 Sec. 3967.0204. DISQUALIFICATION OF DIRECTORS. Section
3-47 49.052, Water Code, applies to the members of the board.

3-48 SUBCHAPTER C. POWERS AND DUTIES

3-49 Sec. 3967.0301. GENERAL POWERS AND DUTIES. The district
3-50 has the powers and duties necessary to accomplish the purposes for
3-51 which the district is created.

3-52 Sec. 3967.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
3-53 The district may provide, design, construct, acquire, improve,
3-54 relocate, operate, maintain, or finance an improvement project or
3-55 service using money available to the district for that purpose, or
3-56 contract with a governmental or private entity to provide, design,
3-57 construct, acquire, improve, relocate, operate, maintain, or
3-58 finance an improvement project or service authorized under this
3-59 chapter or under Chapter 375, Local Government Code.

3-60 (b) The implementation of a district project or service is a
3-61 governmental function or service for the purposes of Chapter 791,
3-62 Government Code.

3-63 Sec. 3967.0303. RECREATIONAL FACILITIES. The district may
3-64 develop or finance recreational facilities as authorized by Chapter
3-65 375, Local Government Code, Sections 52 and 52-a, Article III,
3-66 Texas Constitution, Section 59, Article XVI, Texas Constitution,
3-67 and any other law that applies to the district.

3-68 Sec. 3967.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
3-69 52, Article III, Texas Constitution, the district may own, operate,

4-1 maintain, design, acquire, construct, finance, issue bonds, notes,
4-2 or other obligations for, improve, and convey to this state, a
4-3 county, or a municipality for ownership, operation, and maintenance
4-4 macadamized, graveled, or paved roads or improvements, including
4-5 storm drainage, in aid of those roads.

4-6 Sec. 3967.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.
4-7 (a) The district may convey a road project authorized by Section
4-8 3967.0304 to:

4-9 (1) a municipality or county that will operate and
4-10 maintain the road if the municipality or county has approved the
4-11 plans and specifications of the road project; or

4-12 (2) the state if the state will operate and maintain
4-13 the road and the Texas Transportation Commission has approved the
4-14 plans and specifications of the road project.

4-15 (b) Except as provided by Subsection (c), the district shall
4-16 operate and maintain a road project authorized by Section 3967.0304
4-17 that the district implements and does not convey to a municipality,
4-18 a county, or this state under Subsection (a).

4-19 (c) The district may agree in writing with a municipality, a
4-20 county, or this state to assign operation and maintenance duties to
4-21 the district, the municipality, the county, or this state in a
4-22 manner other than the manner described in Subsections (a) and (b).

4-23 Sec. 3967.0306. NONPROFIT CORPORATION. (a) The board by
4-24 resolution may authorize the creation of a nonprofit corporation to
4-25 assist and act for the district in implementing a project or
4-26 providing a service authorized by this chapter.

4-27 (b) The nonprofit corporation:
4-28 (1) has each power of and is considered to be a local
4-29 government corporation created under Subchapter D, Chapter 431,
4-30 Transportation Code; and

4-31 (2) may implement any project and provide any service
4-32 authorized by this chapter.

4-33 (c) The board shall appoint the board of directors of the
4-34 nonprofit corporation. The board of directors of the nonprofit
4-35 corporation shall serve in the same manner as the board of directors
4-36 of a local government corporation created under Subchapter D,
4-37 Chapter 431, Transportation Code, except that a board member is not
4-38 required to reside in the district.

4-39 Sec. 3967.0307. LAW ENFORCEMENT SERVICES. Section 49.216,
4-40 Water Code, applies to the district.

4-41 Sec. 3967.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
4-42 The district may join and pay dues to a charitable or nonprofit
4-43 organization that performs a service or provides an activity
4-44 consistent with the furtherance of a district purpose.

4-45 Sec. 3967.0309. ECONOMIC DEVELOPMENT. (a) The district
4-46 may engage in activities that accomplish the economic development
4-47 purposes of the district.

4-48 (b) The district may establish and provide for the
4-49 administration of one or more programs to promote state or local
4-50 economic development and to stimulate business and commercial
4-51 activity in the district, including programs to:

4-52 (1) make loans and grants of public money; and
4-53 (2) provide district personnel and services.

4-54 (c) The district may create economic development programs
4-55 and exercise the economic development powers that:

4-56 (1) Chapter 380, Local Government Code, provides to a
4-57 municipality; and

4-58 (2) Subchapter A, Chapter 1509, Government Code,
4-59 provides to a municipality.

4-60 Sec. 3967.0310. STRATEGIC PARTNERSHIP AGREEMENT. The
4-61 district may negotiate and enter into a written strategic
4-62 partnership agreement with a municipality under Section 43.0751,
4-63 Local Government Code.

4-64 Sec. 3967.0311. REGIONAL PARTICIPATION AGREEMENT. The
4-65 district may negotiate and enter into a written regional
4-66 participation agreement with a municipality under Section 43.0754,
4-67 Local Government Code.

4-68 Sec. 3967.0312. PARKING FACILITIES. (a) The district may
4-69 acquire, lease as lessor or lessee, construct, develop, own,

5-1 operate, and maintain parking facilities or a system of parking
 5-2 facilities, including lots, garages, parking terminals, or other
 5-3 structures or accommodations for parking motor vehicles off the
 5-4 streets and related appurtenances.

5-5 (b) The district's parking facilities serve the public
 5-6 purposes of the district and are owned, used, and held for a public
 5-7 purpose even if leased or operated by a private entity for a term of
 5-8 years.

5-9 (c) The district's parking facilities are parts of and
 5-10 necessary components of a street and are considered to be a street
 5-11 or road improvement.

5-12 (d) The development and operation of the district's parking
 5-13 facilities may be considered an economic development program.

5-14 Sec. 3967.0313. ADDING OR EXCLUDING LAND. (a) The district
 5-15 may add land in the manner provided by Subchapter J, Chapter 49,
 5-16 Water Code.

5-17 (b) The district may exclude land as provided by Subchapter
 5-18 J, Chapter 49, Water Code. Section 375.044(b), Local Government
 5-19 Code, does not apply to the district.

5-20 (c) The district may include and exclude land as provided by
 5-21 Sections 54.739-54.747, Water Code. A reference in those sections
 5-22 to a "tax" means an ad valorem tax for the purposes of this
 5-23 subsection.

5-24 (d) If the district adopts a sales and use tax authorized at
 5-25 an election held under Section 3967.0602 and subsequently includes
 5-26 new territory in the district under this section, the district:

5-27 (1) is not required to hold another election to
 5-28 approve the imposition of the sales and use tax in the included
 5-29 territory; and

5-30 (2) shall impose the sales and use tax in the included
 5-31 territory as provided by Chapter 321, Tax Code.

5-32 (e) If the district adopts a sales and use tax authorized at
 5-33 an election held under Section 3967.0602 and subsequently excludes
 5-34 territory in the district under this section, the sales and use tax
 5-35 is inapplicable to the excluded territory, as provided by Chapter
 5-36 321, Tax Code, but is applicable to the territory remaining in the
 5-37 district.

5-38 Sec. 3967.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-39 board by resolution shall establish the number of directors'
 5-40 signatures and the procedure required for a disbursement or
 5-41 transfer of district money.

5-42 Sec. 3967.0315. AUDIT EXEMPTION. (a) The district may
 5-43 elect to complete an annual financial report in lieu of an annual
 5-44 audit under Section 375.096(a)(6), Local Government Code, if:

5-45 (1) the district had no bonds or other long-term (more
 5-46 than one year) liabilities outstanding during the fiscal period;

5-47 (2) the district did not have gross receipts from
 5-48 operations, loans, taxes, assessments, or contributions in excess
 5-49 of \$250,000 during the fiscal period; and

5-50 (3) the district's cash and temporary investments were
 5-51 not in excess of \$250,000 during the fiscal period.

5-52 (b) Each annual financial report prepared in accordance
 5-53 with this section must be open to public inspection and accompanied
 5-54 by an affidavit signed by a duly authorized representative of the
 5-55 district attesting to the accuracy and authenticity of the
 5-56 financial report.

5-57 (c) The annual financial report and affidavit shall be
 5-58 substantially similar in form to the annual financial report and
 5-59 affidavit forms prescribed by the executive director of the Texas
 5-60 Commission on Environmental Quality under Section 49.198, Water
 5-61 Code.

5-62 Sec. 3967.0316. NO EMINENT DOMAIN POWER. The district may
 5-63 not exercise the power of eminent domain.

5-64 SUBCHAPTER D. ASSESSMENTS

5-65 Sec. 3967.0401. PETITION REQUIRED FOR FINANCING SERVICES
 5-66 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 5-67 service or improvement project with assessments under this chapter
 5-68 unless a written petition requesting that service or improvement
 5-69 has been filed with the board.

6-1 (b) The petition must be signed by the owners of a majority
6-2 of the assessed value of real property in the district subject to
6-3 assessment according to the most recent certified tax appraisal
6-4 roll for the county.

6-5 Sec. 3967.0402. METHOD OF NOTICE FOR HEARING. The district
6-6 may mail the notice required by Section 375.115(c), Local
6-7 Government Code, by certified or first class United States mail.
6-8 The board shall determine the method of notice.

6-9 Sec. 3967.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
6-10 The board by resolution may impose and collect an assessment for any
6-11 purpose authorized by this chapter in all or any part of the
6-12 district.

6-13 (b) An assessment, a reassessment, or an assessment
6-14 resulting from an addition to or correction of the assessment roll
6-15 by the district, penalties and interest on an assessment or
6-16 reassessment, an expense of collection, and reasonable attorney's
6-17 fees incurred by the district are:

6-18 (1) a first and prior lien against the property
6-19 assessed;

6-20 (2) superior to any other lien or claim other than a
6-21 lien or claim for county, school district, or municipal ad valorem
6-22 taxes; and

6-23 (3) the personal liability of and a charge against the
6-24 owners of the property even if the owners are not named in the
6-25 assessment proceedings.

6-26 (c) The lien is effective from the date of the board's
6-27 resolution imposing the assessment until the date the assessment is
6-28 paid. The board may enforce the lien in the same manner that the
6-29 board may enforce an ad valorem tax lien against real property.

6-30 (d) The board may make a correction to or deletion from the
6-31 assessment roll that does not increase the amount of assessment of
6-32 any parcel of land without providing notice and holding a hearing in
6-33 the manner required for additional assessments.

6-34 SUBCHAPTER E. TAXES AND BONDS

6-35 Sec. 3967.0501. TAX ELECTION REQUIRED. The district must
6-36 hold an election in the manner provided by Chapter 49, Water Code,
6-37 or, if applicable, Chapter 375, Local Government Code, to obtain
6-38 voter approval before the district may impose an ad valorem tax.

6-39 Sec. 3967.0502. OPERATION AND MAINTENANCE TAX. (a) If
6-40 authorized by a majority of the district voters voting at an
6-41 election under Section 3967.0501, the district may impose an
6-42 operation and maintenance tax on taxable property in the district
6-43 in the manner provided by Section 49.107, Water Code, for any
6-44 district purpose, including to:

6-45 (1) maintain and operate the district;

6-46 (2) construct or acquire improvements; or

6-47 (3) provide a service.

6-48 (b) The board shall determine the operation and maintenance
6-49 tax rate. The rate may not exceed the rate approved at the
6-50 election.

6-51 (c) Section 49.107(h), Water Code, does not apply to the
6-52 district.

6-53 Sec. 3967.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
6-54 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
6-55 terms determined by the board.

6-56 (b) The district may, by competitive bid or negotiated sale,
6-57 issue bonds, notes, or other obligations payable wholly or partly
6-58 from ad valorem taxes, assessments, impact fees, revenue, contract
6-59 payments, grants, or other district money, or any combination of
6-60 those sources of money, to pay for any authorized district purpose.

6-61 (c) The limitation on the outstanding principal amount of
6-62 bonds, notes, or other obligations provided by Section 49.4645,
6-63 Water Code, does not apply to the district.

6-64 Sec. 3967.0504. BONDS SECURED BY REVENUE OR CONTRACT
6-65 PAYMENTS. The district may issue, without an election, bonds
6-66 secured by:

6-67 (1) revenue other than ad valorem taxes, including
6-68 contract revenues; or

6-69 (2) contract payments, provided that the requirements

7-1 of Section 49.108, Water Code, have been met.

7-2 Sec. 3967.0505. BONDS SECURED BY AD VALOREM TAXES;
 7-3 ELECTIONS. (a) If authorized at an election under Section
 7-4 3967.0501, the district may issue bonds payable from ad valorem
 7-5 taxes.

7-6 (b) Section 375.243, Local Government Code, does not apply
 7-7 to the district.

7-8 (c) At the time the district issues bonds payable wholly or
 7-9 partly from ad valorem taxes, the board shall provide for the annual
 7-10 imposition of a continuing direct annual ad valorem tax, without
 7-11 limit as to rate or amount, for each year that all or part of the
 7-12 bonds are outstanding as required and in the manner provided by
 7-13 Sections 54.601 and 54.602, Water Code.

7-14 (d) All or any part of any facilities or improvements that
 7-15 may be acquired by a district by the issuance of its bonds may be
 7-16 submitted as a single proposition or as several propositions to be
 7-17 voted on at the election.

7-18 Sec. 3967.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
 7-19 board may not issue bonds until each municipality in whose
 7-20 corporate limits or extraterritorial jurisdiction the district is
 7-21 located has consented by ordinance or resolution to the creation of
 7-22 the district and to the inclusion of land in the district.

7-23 (b) This section applies only to the district's first
 7-24 issuance of bonds payable from ad valorem taxes.

7-25 SUBCHAPTER F. SALES AND USE TAX

7-26 Sec. 3967.0601. APPLICABILITY OF CERTAIN TAX CODE
 7-27 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
 7-28 computation, administration, enforcement, and collection of the
 7-29 sales and use tax authorized by this subchapter except to the extent
 7-30 Chapter 321, Tax Code, is inconsistent with this chapter.

7-31 (b) A reference in Chapter 321, Tax Code, to a municipality
 7-32 or the governing body of a municipality is a reference to the
 7-33 district or the board, respectively.

7-34 Sec. 3967.0602. ELECTION; ADOPTION OF TAX. (a) The
 7-35 district may adopt a sales and use tax if authorized by a majority
 7-36 of the voters of the district voting at an election held for that
 7-37 purpose.

7-38 (b) The board by order may call an election to authorize the
 7-39 adoption of the sales and use tax. The election may be held on any
 7-40 uniform election date and in conjunction with any other district
 7-41 election.

7-42 (c) The ballot shall be printed to provide for voting for or
 7-43 against the proposition: "Authorization of a sales and use tax in
 7-44 the Wood Trace Management District of Montgomery County, Texas, at
 7-45 a rate not to exceed _____ percent" (insert rate of one or more
 7-46 increments of one-eighth of one percent).

7-47 Sec. 3967.0603. SALES AND USE TAX RATE. (a) On or after the
 7-48 date the results are declared of an election held under Section
 7-49 3967.0602, at which the voters approved imposition of the tax
 7-50 authorized by this subchapter, the board shall determine and adopt
 7-51 by resolution or order the initial rate of the tax, which must be in
 7-52 one or more increments of one-eighth of one percent.

7-53 (b) After the election held under Section 3967.0602, the
 7-54 board may increase or decrease the rate of the tax by one or more
 7-55 increments of one-eighth of one percent.

7-56 (c) The initial rate of the tax or any rate resulting from
 7-57 subsequent increases or decreases may not exceed the lesser of:

7-58 (1) the maximum rate authorized by the district voters
 7-59 at the election held under Section 3967.0602; or

7-60 (2) a rate that, when added to the rates of all sales
 7-61 and use taxes imposed by other political subdivisions with
 7-62 territory in the district, would result in the maximum combined
 7-63 rate prescribed by Section 321.101(f), Tax Code, at any location in
 7-64 the district.

7-65 Sec. 3967.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
 7-66 section applies to the district after a municipality annexes part
 7-67 of the territory in the district and imposes the municipality's
 7-68 sales and use tax in the annexed territory.

7-69 (b) If at the time of annexation the district has

8-1 outstanding debt or other obligations payable wholly or partly from
 8-2 district sales and use tax revenue, Section 321.102(g), Tax Code,
 8-3 applies to the district.
 8-4 (c) If at the time of annexation the district does not have
 8-5 outstanding debt or other obligations payable wholly or partly from
 8-6 district sales and use tax revenue, the district may:
 8-7 (1) exclude the annexed territory from the district,
 8-8 if the district has no outstanding debt or other obligations
 8-9 payable from any source; or
 8-10 (2) reduce the sales and use tax in the annexed
 8-11 territory by resolution or order of the board to a rate that, when
 8-12 added to the sales and use tax rate imposed by the municipality in
 8-13 the annexed territory, is equal to the sales and use tax rate
 8-14 imposed by the district in the district territory that was not
 8-15 annexed by the municipality.
 8-16 Sec. 3967.0605. NOTIFICATION OF RATE CHANGE. The board
 8-17 shall notify the comptroller of any changes made to the tax rate
 8-18 under this subchapter in the same manner the municipal secretary
 8-19 provides notice to the comptroller under Section 321.405(b), Tax
 8-20 Code.
 8-21 Sec. 3967.0606. USE OF REVENUE. Revenue from the sales and
 8-22 use tax imposed under this subchapter is for the use and benefit of
 8-23 the district and may be used for any district purpose. The district
 8-24 may pledge all or part of the revenue to the payment of bonds,
 8-25 notes, or other obligations, and that pledge of revenue may be in
 8-26 combination with other revenue, including tax revenue, available to
 8-27 the district.
 8-28 Sec. 3967.0607. ABOLITION OF TAX. (a) Except as provided
 8-29 by Subsection (b), the board may abolish the tax imposed under this
 8-30 subchapter without an election.
 8-31 (b) The board may not abolish the tax imposed under this
 8-32 subchapter if the district has outstanding debt secured by the tax,
 8-33 and repayment of the debt would be impaired by the abolition of the
 8-34 tax.
 8-35 (c) If the board abolishes the tax, the board shall notify
 8-36 the comptroller of that action in the same manner the municipal
 8-37 secretary provides notice to the comptroller under Section
 8-38 321.405(b), Tax Code.
 8-39 (d) If the board abolishes the tax or decreases the tax rate
 8-40 to zero, a new election to authorize a sales and use tax must be held
 8-41 under Section 3967.0602 before the district may subsequently impose
 8-42 the tax.
 8-43 (e) This section does not apply to a decrease in the sales
 8-44 and use tax authorized under Section 3967.0604(c)(2).
 8-45 SUBCHAPTER G. HOTEL OCCUPANCY TAX
 8-46 Sec. 3967.0701. DEFINITION. In this subchapter, "hotel"
 8-47 has the meaning assigned by Section 156.001, Tax Code.
 8-48 Sec. 3967.0702. APPLICABILITY OF CERTAIN TAX CODE
 8-49 PROVISIONS. (a) For purposes of this subchapter:
 8-50 (1) a reference in Subchapter A, Chapter 352, Tax
 8-51 Code, to a county is a reference to the district; and
 8-52 (2) a reference in Subchapter A, Chapter 352, Tax
 8-53 Code, to the commissioners court is a reference to the board.
 8-54 (b) Except as inconsistent with this subchapter, Subchapter
 8-55 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
 8-56 by this subchapter, including the collection of the tax, subject to
 8-57 the limitations prescribed by Sections 352.002(b) and (c), Tax
 8-58 Code.
 8-59 Sec. 3967.0703. TAX AUTHORIZED; USE OF REVENUE. The
 8-60 district may impose a hotel occupancy tax for any purpose described
 8-61 by Section 351.101 or 352.101, Tax Code.
 8-62 Sec. 3967.0704. TAX RATE. (a) The amount of the hotel
 8-63 occupancy tax may not exceed the lesser of:
 8-64 (1) the maximum rate prescribed by Section 352.003(a),
 8-65 Tax Code; or
 8-66 (2) a rate that, when added to the rates of all hotel
 8-67 occupancy taxes imposed by other political subdivisions with
 8-68 territory in the district and by this state, does not exceed the sum
 8-69 of the rate prescribed by Section 351.0025(b), Tax Code, plus two

9-1 percent.

9-2 (b) The district tax is in addition to a tax imposed by a
9-3 municipality under Chapter 351, Tax Code, or by the county under
9-4 Chapter 352, Tax Code.

9-5 Sec. 3967.0705. INFORMATION. The district may examine and
9-6 receive information related to the imposition of hotel occupancy
9-7 taxes to the same extent as if the district were a county.

9-8 Sec. 3967.0706. USE OF REVENUE. The district may use
9-9 revenue from the hotel occupancy tax for any district purpose that
9-10 is an authorized use of hotel occupancy tax revenue under Chapter
9-11 351 or 352, Tax Code. The district may pledge all or part of the
9-12 revenue to the payment of bonds, notes, or other obligations and
9-13 that pledge of revenue may be in combination with other revenue
9-14 available to the district.

9-15 Sec. 3967.0707. ABOLITION OF TAX. (a) Except as provided
9-16 by Subsection (b), the board may abolish the tax imposed under this
9-17 subchapter.

9-18 (b) The board may not abolish the tax imposed under this
9-19 subchapter if the district has outstanding debt secured by the tax,
9-20 and repayment of the debt would be impaired by the abolition of the
9-21 tax.

9-22 SUBCHAPTER I. DISSOLUTION

9-23 Sec. 3967.0901. DISSOLUTION. (a) The board shall dissolve
9-24 the district on written petition filed with the board by the owners
9-25 of:

9-26 (1) 66 percent or more of the assessed value of the
9-27 property subject to assessment by the district based on the most
9-28 recent certified county property tax rolls; or

9-29 (2) 66 percent or more of the surface area of the
9-30 district, excluding roads, streets, highways, utility
9-31 rights-of-way, other public areas, and other property exempt from
9-32 assessment by the district according to the most recent certified
9-33 county property tax rolls.

9-34 (b) The board by majority vote may dissolve the district at
9-35 any time.

9-36 (c) The district may not be dissolved by its board under
9-37 Subsection (a) or (b) if the district:

9-38 (1) has any outstanding bonded indebtedness until that
9-39 bonded indebtedness has been repaid or defeased in accordance with
9-40 the order or resolution authorizing the issuance of the bonds;

9-41 (2) has a contractual obligation to pay money until
9-42 that obligation has been fully paid in accordance with the
9-43 contract; or

9-44 (3) owns, operates, or maintains public works,
9-45 facilities, or improvements unless the district contracts with
9-46 another person for the ownership, operation, or maintenance of the
9-47 public works, facilities, or improvements.

9-48 (d) Sections 375.261, 375.262, and 375.264, Local
9-49 Government Code, do not apply to the district.

9-50 SECTION 2. The Wood Trace Management District of Montgomery
9-51 County, Texas, initially includes all the territory contained in
9-52 the following area:

9-53 Being a 92.63-acre tract of land, located in the Andrew J.
9-54 Hensley, Abstract No. 255 in Montgomery County, Texas; said
9-55 92.63-acre tract being out of a called 2,253.2253-acre tract of
9-56 land conveyed to Terra Investments, LP in Clerk's File Number
9-57 2004023496 of the Official Public Records of Real Property of
9-58 Montgomery County Texas (O.P.R.R.P.M.C.T.); said 92.63-acre tract
9-59 being more particularly described by metes and bounds as follows
9-60 (all bearings are referenced to the north line of said
9-61 2,253.2253-acre tract):

9-62 Beginning at a 5/8-inch iron rod with aluminum cap found at
9-63 the northwest corner of a called 10.0000-acre tract of land
9-64 recorded in Clerk's File Number 9350680 of the O.P.R.R.P.M.C.T.,
9-65 same being on the west line of said called 2,253.2253-acre tract and
9-66 the east right-of-way (R.O.W.) line of Highway 149 (60-foot wide);

9-67 1. Thence, with the common line of said Highway 149 and said
9-68 called 2,253.2253-acre tract, North 08 degrees 35 minutes 16
9-69 seconds West, a distance of 620.67 feet;

10-1 2. Thence, continuing with said common line, 291.17 feet
 10-2 along the arc of a curve to the right, said curve having a central
 10-3 angle of 05 degrees 59 minutes 03 seconds, a radius of 2,787.83 feet
 10-4 and a chord that bears North 05 degrees 35 minutes 45 seconds West,
 10-5 a distance of 291.04 feet;

10-6 3. Thence, with the northwest line of said called
 10-7 2,253.2253-acre tract, North 42 degrees 18 minutes 44 seconds East,
 10-8 a distance of 1,390.50 feet;

10-9 4. Thence, continuing with the northwest line of said called
 10-10 2,253.2253-acre tract, North 43 degrees 05 minutes 06 seconds East,
 10-11 a distance of 188.90 feet to the most westerly corner of a called
 10-12 34.6647-acre tract of land recorded in Clerk's File Number
 10-13 2018021947 of the O.P.R.R.P.M.C.T.;

10-14 Thence, with the west line of said called 34.6647-acre tract,
 10-15 the following five (5) courses:

10-16 5. 1,433.79 feet along the arc of a curve to the right, said
 10-17 curve having a central angle of 30 degrees 49 minutes 40 seconds, a
 10-18 radius of 2,664.79 feet and a chord that bears South 25 degrees 30
 10-19 minutes 44 seconds East, a distance of 1,416.55 feet;

10-20 6. South 10 degrees 05 minutes 54 seconds East, a distance of
 10-21 415.32 feet;

10-22 7. South 10 degrees 05 minutes 54 seconds East, a distance of
 10-23 300.00 feet;

10-24 8. South 10 degrees 05 minutes 54 seconds East, a distance of
 10-25 516.07 feet;

10-26 9. 1,088.92 feet along the arc of a curve to the left, said
 10-27 curve having a central angle of 10 degrees 31 minutes 19 seconds, a
 10-28 radius of 5,929.58 feet and a chord that bears South 15 degrees 21
 10-29 minutes 34 seconds East, a distance of 1,087.39 feet to the south
 10-30 corner of aforesaid called 34.6647-acre tract, same being a
 10-31 northwesterly line of a called 12.500-acre tract of land recorded
 10-32 in Clerk's File Number 2014032464 of the O.P.R.R.P.M.C.T. and a
 10-33 southeasterly interior line of aforesaid called 2,253.2253-acre
 10-34 tract;

10-35 10. Thence, with the common line of said called 12.500-acre
 10-36 tract and said called 2,253.2253-acre tract, South 41 degrees 39
 10-37 minutes 24 seconds West, a distance of 434.22 feet to a westerly
 10-38 corner of said called 2,253.2253-acre tract;

10-39 11. Thence, with the southwest line of said called
 10-40 2,253.2253-acre tract, North 47 degrees 46 minutes 25 seconds West,
 10-41 a distance of 1,585.59 feet to the south corner of aforesaid called
 10-42 10.0000-acre tract;

10-43 Thence, with the east and north lines of said called
 10-44 10.0000-acre tract, the following six (6) courses:

10-45 12. North 42 degrees 13 minutes 34 seconds East, a distance
 10-46 of 435.59 feet;

10-47 13. North 30 degrees 32 minutes 17 seconds West, a distance
 10-48 of 629.68 feet;

10-49 14. South 81 degrees 24 minutes 44 seconds West, a distance
 10-50 of 342.11 feet;

10-51 15. South 54 degrees 50 minutes 52 seconds West, a distance
 10-52 of 44.73 feet;

10-53 16. South 08 degrees 35 minutes 16 seconds East, a distance
 10-54 of 30.00 feet;

10-55 17. South 81 degrees 24 minutes 44 seconds West, a distance
 10-56 of 200.00 feet to the Point of Beginning and containing 92.63 acres
 10-57 of land.

10-58 SECTION 3. (a) The legal notice of the intention to
 10-59 introduce this Act, setting forth the general substance of this
 10-60 Act, has been published as provided by law, and the notice and a
 10-61 copy of this Act have been furnished to all persons, agencies,
 10-62 officials, or entities to which they are required to be furnished
 10-63 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 10-64 Government Code.

10-65 (b) The governor, one of the required recipients, has
 10-66 submitted the notice and Act to the Texas Commission on
 10-67 Environmental Quality.

10-68 (c) The Texas Commission on Environmental Quality has filed
 10-69 its recommendations relating to this Act with the governor,

11-1 lieutenant governor, and speaker of the house of representatives
11-2 within the required time.

11-3 (d) All requirements of the constitution and laws of this
11-4 state and the rules and procedures of the legislature with respect
11-5 to the notice, introduction, and passage of this Act have been
11-6 fulfilled and accomplished.

11-7 SECTION 4. This Act takes effect immediately if it receives
11-8 a vote of two-thirds of all the members elected to each house, as
11-9 provided by Section 39, Article III, Texas Constitution. If this
11-10 Act does not receive the vote necessary for immediate effect, this
11-11 Act takes effect September 1, 2019.

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