

1-1 By: Stephenson, et al. (Senate Sponsor - Huffman) H.B. No. 4676
 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 | X | | | |
| 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. 4676 By: Lucio

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

1-19 relating to the creation of the Fort Bend County Management
 1-20 District No. 3; providing authority to issue bonds; providing
 1-21 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 3984 to read as follows:

1-25 CHAPTER 3984. FORT BEND COUNTY MANAGEMENT DISTRICT NO. 3

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 3984.0101. DEFINITIONS. In this chapter:

- 1-28 (1) "Board" means the district's board of directors.
- 1-29 (2) "County" means Fort Bend County.
- 1-30 (3) "Director" means a board member.
- 1-31 (4) "District" means the Fort Bend County Management
- 1-32 District No. 3.

1-33 Sec. 3984.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-34 (a) The Fort Bend County Management District No. 3 is a special
 1-35 district created under Section 59, Article XVI, Texas Constitution.

1-36 (b) The district is a governmental unit, as provided by
 1-37 Section 375.004, Local Government Code.

1-38 (c) This chapter does not waive any governmental or
 1-39 sovereign immunity from suit, liability, or judgment that would
 1-40 otherwise apply to the district.

1-41 Sec. 3984.0103. PURPOSE; DECLARATION OF INTENT. (a) The
 1-42 creation of the district is essential to accomplish the purposes of
 1-43 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-44 Texas Constitution, and other public purposes stated in this
 1-45 chapter.

1-46 (b) By creating the district, the legislature has
 1-47 established a program to accomplish the public purposes set out in
 1-48 Sections 52 and 52-a, Article III, Texas Constitution.

1-49 (c) 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 (d) This chapter and the creation of the district may not be
 1-55 interpreted to relieve the county or a municipality 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 county or municipal
 1-59 services provided in the district.

1-60 Sec. 3984.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2-1 (a) All land and other property included in the district will
2-2 benefit from the improvements and services to be provided by the
2-3 district under powers conferred by Sections 52 and 52-a, Article
2-4 III, and Section 59, Article XVI, Texas Constitution, and other
2-5 powers granted under this chapter.

2-6 (b) The district is created to serve a public use and
2-7 benefit.

2-8 (c) The creation of the district is in the public interest
2-9 and is essential to further the public purposes of:

2-10 (1) developing and diversifying the economy of the
2-11 state;

2-12 (2) eliminating unemployment and underemployment; and

2-13 (3) developing or expanding transportation and
2-14 commerce.

2-15 (d) The district will:

2-16 (1) promote the health, safety, and general welfare of
2-17 residents, employers, potential employees, employees, visitors,
2-18 and consumers in the district, and of the public;

2-19 (2) provide needed funding for the district to
2-20 preserve, maintain, and enhance the economic health and vitality of
2-21 the district territory as a community and business center;

2-22 (3) promote the health, safety, welfare, and enjoyment
2-23 of the public by providing pedestrian ways, transit facilities,
2-24 parking facilities, rail facilities, and public art objects, and by
2-25 landscaping and developing certain areas in the district, which are
2-26 necessary for the restoration, preservation, and enhancement of
2-27 scenic beauty; and

2-28 (4) provide for water, wastewater, drainage, road, and
2-29 recreational facilities for the district.

2-30 (e) Pedestrian ways along or across a street, whether at
2-31 grade or above or below the surface, and street lighting, street
2-32 landscaping, parking, and street art objects are parts of and
2-33 necessary components of a street and are considered to be a street
2-34 or road improvement.

2-35 (f) The district will not act as the agent or
2-36 instrumentality of any private interest even though the district
2-37 will benefit many private interests as well as the public.

2-38 Sec. 3984.0105. INITIAL DISTRICT TERRITORY. (a) The
2-39 district is initially composed of the territory described by
2-40 Section 2 of the Act enacting this chapter.

2-41 (b) The boundaries and field notes contained in Section 2 of
2-42 the Act enacting this chapter form a closure. A mistake in the
2-43 field notes or in copying the field notes in the legislative process
2-44 does not affect the district's:

2-45 (1) organization, existence, or validity;

2-46 (2) right to issue any type of bonds for the purposes
2-47 for which the district is created or to pay the principal of and
2-48 interest on the bonds;

2-49 (3) right to impose or collect an assessment or tax; or

2-50 (4) legality or operation.

2-51 Sec. 3984.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-52 All or any part of the area of the district is eligible to be
2-53 included in:

2-54 (1) a tax increment reinvestment zone created under
2-55 Chapter 311, Tax Code;

2-56 (2) a tax abatement reinvestment zone created under
2-57 Chapter 312, Tax Code;

2-58 (3) an enterprise zone created under Chapter 2303,
2-59 Government Code; or

2-60 (4) an industrial district created under Chapter 42,
2-61 Local Government Code.

2-62 Sec. 3984.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-63 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-64 Chapter 375, Local Government Code, applies to the district.

2-65 Sec. 3984.0108. CONSTRUCTION OF CHAPTER. This chapter
2-66 shall be liberally construed in conformity with the findings and
2-67 purposes stated in this chapter.

2-68 Sec. 3984.0109. CONFLICTS OF LAW. This chapter prevails
2-69 over any provision of general law, including a provision of Chapter

3-1 375, Local Government Code, or Chapter 49, Water Code, that is in
3-2 conflict or inconsistent with this chapter.

3-3 SUBCHAPTER B. BOARD OF DIRECTORS

3-4 Sec. 3984.0201. GOVERNING BODY; TERMS. (a) The district is
3-5 governed by a board of five directors elected or appointed as
3-6 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-7 (b) Except as provided by Section 3984.0203, directors
3-8 serve staggered four-year terms.

3-9 Sec. 3984.0202. COMPENSATION. A director is entitled to
3-10 receive fees of office and reimbursement for actual expenses as
3-11 provided by Section 49.060, Water Code. Sections 375.069 and
3-12 375.070, Local Government Code, do not apply to the board.

3-13 Sec. 3984.0203. TEMPORARY DIRECTORS. (a) On or after the
3-14 effective date of the Act creating this chapter, the owner or owners
3-15 of a majority of the assessed value of the real property in the
3-16 district according to the most recent certified tax appraisal roll
3-17 for the county may submit a petition to the Texas Commission on
3-18 Environmental Quality requesting that the commission appoint as
3-19 temporary directors the five persons named in the petition. The
3-20 commission shall appoint as temporary directors the five persons
3-21 named in the petition.

3-22 (b) The temporary or successor temporary directors shall
3-23 hold an election to elect five permanent directors as provided by
3-24 Section 49.102, Water Code.

3-25 (c) Temporary directors serve until the earlier of:

3-26 (1) the date permanent directors are elected under
3-27 Subsection (b); or

3-28 (2) the fourth anniversary of the effective date of
3-29 the Act creating this chapter.

3-30 (d) If permanent directors have not been elected under
3-31 Subsection (b) and the terms of the temporary directors have
3-32 expired, successor temporary directors shall be appointed or
3-33 reappointed as provided by Subsection (e) to serve terms that
3-34 expire on the earlier of:

3-35 (1) the date permanent directors are elected under
3-36 Subsection (b); or

3-37 (2) the fourth anniversary of the date of the
3-38 appointment or reappointment.

3-39 (e) If Subsection (d) applies, the owner or owners of a
3-40 majority of the assessed value of the real property in the district
3-41 according to the most recent certified tax appraisal roll for the
3-42 county may submit a petition to the Texas Commission on
3-43 Environmental Quality requesting that the commission appoint as
3-44 successor temporary directors the five persons named in the
3-45 petition. The commission shall appoint as successor temporary
3-46 directors the five persons named in the petition.

3-47 Sec. 3984.0204. DISQUALIFICATION OF DIRECTORS. Section
3-48 49.052, Water Code, applies to the members of the board.

3-49 SUBCHAPTER C. POWERS AND DUTIES

3-50 Sec. 3984.0301. GENERAL POWERS AND DUTIES. The district
3-51 has the powers and duties necessary to accomplish the purposes for
3-52 which the district is created.

3-53 Sec. 3984.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
3-54 The district, using any money available to the district for the
3-55 purpose, may provide, design, construct, acquire, improve,
3-56 relocate, operate, maintain, or finance an improvement project or
3-57 service authorized under this chapter or Chapter 375, Local
3-58 Government Code.

3-59 (b) The district may contract with a governmental or private
3-60 entity to carry out an action under Subsection (a).

3-61 (c) The implementation of a district project or service is a
3-62 governmental function or service for the purposes of Chapter 791,
3-63 Government Code.

3-64 Sec. 3984.0303. RECREATIONAL FACILITIES. The district may
3-65 develop or finance recreational facilities as authorized by Chapter
3-66 375, Local Government Code, Sections 52 and 52-a, Article III,
3-67 Texas Constitution, Section 59, Article XVI, Texas Constitution,
3-68 and any other law that applies to the district.

3-69 Sec. 3984.0304. AUTHORITY FOR ROAD PROJECTS. Under Section

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

4-7 Sec. 3984.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.
4-8 (a) The district may convey a road project authorized by Section
4-9 3984.0304 to:

4-10 (1) a municipality or county that will operate and
4-11 maintain the road if the municipality or county has approved the
4-12 plans and specifications of the road project; or

4-13 (2) the state if the state will operate and maintain
4-14 the road and the Texas Transportation Commission has approved the
4-15 plans and specifications of the road project.

4-16 (b) Except as provided by Subsection (c), the district shall
4-17 operate and maintain a road project authorized by Section 3984.0304
4-18 that the district implements and does not convey to a municipality,
4-19 a county, or this state under Subsection (a).

4-20 (c) The district may agree in writing with a municipality, a
4-21 county, or this state to assign operation and maintenance duties to
4-22 the district, the municipality, the county, or this state in a
4-23 manner other than the manner described in Subsections (a) and (b).

4-24 Sec. 3984.0306. RAIL FACILITIES. In addition to the powers
4-25 granted under Section 375.0921(b), Local Government Code, the
4-26 district may construct, acquire, improve, maintain, finance, and
4-27 operate rail facilities and improvements in aid of those facilities
4-28 for the transport of freight and other cargo.

4-29 Sec. 3984.0307. NONPROFIT CORPORATION. (a) The board by
4-30 resolution may authorize the creation of a nonprofit corporation to
4-31 assist and act for the district in implementing a project or
4-32 providing a service authorized by this chapter.

4-33 (b) The nonprofit corporation:
4-34 (1) has each power of and is considered to be a local
4-35 government corporation created under Subchapter D, Chapter 431,
4-36 Transportation Code; and

4-37 (2) may implement any project and provide any service
4-38 authorized by this chapter.

4-39 (c) The board shall appoint the board of directors of the
4-40 nonprofit corporation. The board of directors of the nonprofit
4-41 corporation shall serve in the same manner as the board of directors
4-42 of a local government corporation created under Subchapter D,
4-43 Chapter 431, Transportation Code, except that a board member is not
4-44 required to reside in the district.

4-45 Sec. 3984.0308. LAW ENFORCEMENT SERVICES. Section 49.216,
4-46 Water Code, applies to the district.

4-47 Sec. 3984.0309. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
4-48 The district may join and pay dues to a charitable or nonprofit
4-49 organization that performs a service or provides an activity
4-50 consistent with the furtherance of a district purpose.

4-51 Sec. 3984.0310. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
4-52 district may engage in activities that accomplish the economic
4-53 development purposes of the district.

4-54 (b) The district may establish and provide for the
4-55 administration of one or more programs to promote state or local
4-56 economic development and to stimulate business and commercial
4-57 activity in the district, including programs to:

4-58 (1) make loans and grants of public money; and

4-59 (2) provide district personnel and services.

4-60 (c) The district may create economic development programs
4-61 and exercise the economic development powers provided to
4-62 municipalities by:

4-63 (1) Chapter 380, Local Government Code; and

4-64 (2) Subchapter A, Chapter 1509, Government Code.

4-65 Sec. 3984.0311. STRATEGIC PARTNERSHIP AGREEMENT. The
4-66 district may negotiate and enter into a written strategic
4-67 partnership agreement with a municipality under Section 43.0751,
4-68 Local Government Code.

4-69 Sec. 3984.0312. REGIONAL PARTICIPATION AGREEMENT. The

5-1 district may negotiate and enter into a written regional
 5-2 participation agreement with a municipality under Section 43.0754,
 5-3 Local Government Code.
 5-4 Sec. 3984.0313. PARKING FACILITIES. (a) The district may
 5-5 acquire, lease as lessor or lessee, construct, develop, own,
 5-6 operate, and maintain parking facilities or a system of parking
 5-7 facilities, including lots, garages, parking terminals, or other
 5-8 structures or accommodations for parking motor vehicles off the
 5-9 streets and related appurtenances.
 5-10 (b) The district's parking facilities serve the public
 5-11 purposes of the district and are owned, used, and held for a public
 5-12 purpose even if leased or operated by a private entity for a term of
 5-13 years.
 5-14 (c) The district's parking facilities are parts of and
 5-15 necessary components of a street and are considered to be a street
 5-16 or road improvement.
 5-17 (d) The development and operation of the district's parking
 5-18 facilities may be considered an economic development program.
 5-19 Sec. 3984.0314. ADDING OR EXCLUDING LAND. (a) The district
 5-20 may add land in the manner provided by Subchapter J, Chapter 49,
 5-21 Water Code.
 5-22 (b) The district may exclude land in the manner provided by
 5-23 Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local
 5-24 Government Code, does not apply to the district.
 5-25 (c) The district may include and exclude land as provided by
 5-26 Sections 54.739-54.747, Water Code. A reference in those sections
 5-27 to a "tax" means an ad valorem tax for the purposes of this
 5-28 subsection.
 5-29 (d) If the district adopts a sales and use tax authorized at
 5-30 an election held under Section 3984.0602 and subsequently includes
 5-31 new territory in the district under this section, the district:
 5-32 (1) is not required to hold another election to
 5-33 approve the imposition of the sales and use tax in the included
 5-34 territory; and
 5-35 (2) shall impose the sales and use tax in the included
 5-36 territory as provided by Chapter 321, Tax Code.
 5-37 (e) If the district adopts a sales and use tax authorized at
 5-38 an election held under Section 3984.0602 and subsequently excludes
 5-39 territory in the district under this section, the sales and use tax
 5-40 is inapplicable to the excluded territory, as provided by Chapter
 5-41 321, Tax Code, but is applicable to the territory remaining in the
 5-42 district.
 5-43 Sec. 3984.0315. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-44 board by resolution shall establish the number of directors'
 5-45 signatures and the procedure required for a disbursement or
 5-46 transfer of district money.
 5-47 Sec. 3984.0316. AUDIT EXEMPTION. (a) The district may
 5-48 elect to complete an annual financial report in lieu of an annual
 5-49 audit under Section 375.096(a)(6), Local Government Code, if:
 5-50 (1) the district had no bonds or other long-term (more
 5-51 than one year) liabilities outstanding during the fiscal period;
 5-52 (2) the district did not have gross receipts from
 5-53 operations, loans, taxes, assessments, or contributions in excess
 5-54 of \$250,000 during the fiscal period; and
 5-55 (3) the district's cash and temporary investments were
 5-56 not in excess of \$250,000 during the fiscal period.
 5-57 (b) Each annual financial report prepared in accordance
 5-58 with this section must be open to public inspection and accompanied
 5-59 by an affidavit signed by a duly authorized representative of the
 5-60 district attesting to the accuracy and authenticity of the
 5-61 financial report.
 5-62 (c) The annual financial report and affidavit shall be
 5-63 substantially similar in form to the annual financial report and
 5-64 affidavit forms prescribed by the executive director of the Texas
 5-65 Commission on Environmental Quality under Section 49.198, Water
 5-66 Code.
 5-67 Sec. 3984.0317. NO EMINENT DOMAIN POWER. The district may
 5-68 not exercise the power of eminent domain.
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SUBCHAPTER D. ASSESSMENTS

6-1 Sec. 3984.0401. PETITION REQUIRED FOR FINANCING SERVICES
 6-2 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 6-3 service or improvement project with assessments under this chapter
 6-4 unless a written petition requesting that service or improvement
 6-5 has been filed with the board.

6-6 (b) A petition filed under Subsection (a) must be signed by
 6-7 the owners of a majority of the assessed value of real property in
 6-8 the district subject to assessment according to the most recent
 6-9 certified tax appraisal roll for the county.

6-10 Sec. 3984.0402. METHOD OF NOTICE FOR HEARING. The district
 6-11 may mail the notice required by Section 375.115(c), Local
 6-12 Government Code, by certified or first class United States mail.
 6-13 The board shall determine the method of notice.

6-14 Sec. 3984.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
 6-15 The board by resolution may impose and collect an assessment for any
 6-16 purpose authorized by this chapter in all or any part of the
 6-17 district.

6-18 (b) An assessment, a reassessment, or an assessment
 6-19 resulting from an addition to or correction of the assessment roll
 6-20 by the district, penalties and interest on an assessment or
 6-21 reassessment, an expense of collection, and reasonable attorney's
 6-22 fees incurred by the district:

6-23 (1) are a first and prior lien against the property
 6-24 assessed;

6-25 (2) are superior to any other lien or claim other than
 6-26 a lien or claim for county, school district, or municipal ad valorem
 6-27 taxes; and

6-28 (3) are the personal liability of and a charge against
 6-29 the owners of the property even if the owners are not named in the
 6-30 assessment proceedings.

6-31 (c) The lien is effective from the date of the board's
 6-32 resolution imposing the assessment until the date the assessment is
 6-33 paid. The board may enforce the lien in the same manner that the
 6-34 board may enforce an ad valorem tax lien against real property.

6-35 (d) The board may make a correction to or deletion from the
 6-36 assessment roll that does not increase the amount of assessment of
 6-37 any parcel of land without providing notice and holding a hearing in
 6-38 the manner required for additional assessments.

SUBCHAPTER E. TAXES AND BONDS

6-39 Sec. 3984.0501. TAX ELECTION REQUIRED. The district must
 6-40 hold an election in the manner provided by Chapter 49, Water Code,
 6-41 or, if applicable, Chapter 375, Local Government Code, to obtain
 6-42 voter approval before the district may impose an ad valorem tax.

6-43 Sec. 3984.0502. OPERATION AND MAINTENANCE TAX. (a) If
 6-44 authorized by a majority of the district voters voting at an
 6-45 election under Section 3984.0501, the district may impose an
 6-46 operation and maintenance tax on taxable property in the district
 6-47 in the manner provided by Section 49.107, Water Code, for any
 6-48 district purpose, including to:

6-49 (1) maintain and operate the district;

6-50 (2) construct or acquire improvements; or

6-51 (3) provide a service.

6-52 (b) The board shall determine the operation and maintenance
 6-53 tax rate. The rate may not exceed the rate approved at the
 6-54 election.

6-55 (c) Section 49.107(h), Water Code, does not apply to the
 6-56 district.

6-57 Sec. 3984.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
 6-58 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
 6-59 terms determined by the board.

6-60 (b) The district may, by competitive bid or negotiated sale,
 6-61 issue bonds, notes, or other obligations payable wholly or partly
 6-62 from ad valorem taxes, assessments, impact fees, revenue, contract
 6-63 payments, grants, or other district money, or any combination of
 6-64 those sources of money, to pay for any authorized district purpose.

6-65 (c) The limitation on the outstanding principal amount of
 6-66 bonds, notes, or other obligations provided by Section 49.4645,
 6-67 Water Code, does not apply to the district.

7-1 Sec. 3984.0504. BONDS SECURED BY REVENUE OR CONTRACT
7-2 PAYMENTS. The district may issue, without an election, bonds
7-3 secured by:

7-4 (1) revenue other than ad valorem taxes, including
7-5 contract revenues; or

7-6 (2) contract payments, provided that the requirements
7-7 of Section 49.108, Water Code, have been met.

7-8 Sec. 3984.0505. BONDS SECURED BY AD VALOREM TAXES;
7-9 ELECTIONS. (a) If authorized at an election under Section
7-10 3984.0501, the district may issue bonds payable from ad valorem
7-11 taxes.

7-12 (b) Section 375.243, Local Government Code, does not apply
7-13 to the district.

7-14 (c) At the time the district issues bonds payable wholly or
7-15 partly from ad valorem taxes, the board shall provide for the annual
7-16 imposition of a continuing direct annual ad valorem tax, without
7-17 limit as to rate or amount, for each year that all or part of the
7-18 bonds are outstanding as required and in the manner provided by
7-19 Sections 54.601 and 54.602, Water Code.

7-20 (d) All or any part of any facilities or improvements that
7-21 may be acquired by a district by the issuance of its bonds may be
7-22 submitted as a single proposition or as several propositions to be
7-23 voted on at the election.

7-24 Sec. 3984.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
7-25 board may not hold an election under Section 3984.0501, issue
7-26 bonds, or incur any debt until each municipality in whose corporate
7-27 limits or extraterritorial jurisdiction the district is located has
7-28 consented by ordinance or resolution to the creation of the
7-29 district and to the inclusion of land in the district.

7-30 (b) This section applies only to the district's first
7-31 issuance of bonds payable from ad valorem taxes.

7-32 SUBCHAPTER F. SALES AND USE TAX

7-33 Sec. 3984.0601. APPLICABILITY OF CERTAIN TAX CODE
7-34 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
7-35 computation, administration, enforcement, and collection of the
7-36 sales and use tax authorized by this subchapter except to the extent
7-37 Chapter 321, Tax Code, is inconsistent with this chapter.

7-38 (b) A reference in Chapter 321, Tax Code, to a municipality
7-39 or the governing body of a municipality is a reference to the
7-40 district or the board, respectively.

7-41 Sec. 3984.0602. ELECTION; ADOPTION OF TAX. (a) The
7-42 district may adopt a sales and use tax if authorized by a majority
7-43 of the voters of the district voting at an election held for that
7-44 purpose.

7-45 (b) The board by order may call an election to authorize the
7-46 adoption of the sales and use tax. The election may be held on any
7-47 uniform election date and in conjunction with any other district
7-48 election.

7-49 (c) The ballot shall be printed to provide for voting for or
7-50 against the proposition: "Authorization of a sales and use tax in
7-51 the Fort Bend County Management District No. 3 at a rate not to
7-52 exceed _____ percent" (insert rate of one or more increments of
7-53 one-eighth of one percent).

7-54 Sec. 3984.0603. SALES AND USE TAX RATE. (a) On or after the
7-55 date the results are declared of an election held under Section
7-56 3984.0602, at which the voters approved imposition of the tax
7-57 authorized by this subchapter, the board shall determine and adopt
7-58 by resolution or order the initial rate of the tax, which must be in
7-59 one or more increments of one-eighth of one percent.

7-60 (b) After the election held under Section 3984.0602, the
7-61 board may increase or decrease the rate of the tax by one or more
7-62 increments of one-eighth of one percent.

7-63 (c) The initial rate of the tax or any rate resulting from
7-64 subsequent increases or decreases may not exceed the lesser of:

7-65 (1) the maximum rate authorized by the district voters
7-66 at the election held under Section 3984.0602; or

7-67 (2) a rate that, when added to the rates of all sales
7-68 and use taxes imposed by other political subdivisions with
7-69 territory in the district, would result in the maximum combined

8-1 rate prescribed by Section 321.101(f), Tax Code, at any location in
8-2 the district.

8-3 Sec. 3984.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
8-4 section applies to the district after a municipality annexes part
8-5 of the territory in the district and imposes the municipality's
8-6 sales and use tax in the annexed territory.

8-7 (b) If at the time of annexation the district has
8-8 outstanding debt or other obligations payable wholly or partly from
8-9 district sales and use tax revenue, Section 321.102(g), Tax Code,
8-10 applies to the district.

8-11 (c) If at the time of annexation the district does not have
8-12 outstanding debt or other obligations payable wholly or partly from
8-13 district sales and use tax revenue, the district may:

8-14 (1) exclude the annexed territory from the district,
8-15 if the district has no outstanding debt or other obligations
8-16 payable from any source; or

8-17 (2) reduce the sales and use tax in the annexed
8-18 territory by resolution or order of the board to a rate that, when
8-19 added to the sales and use tax rate imposed by the municipality in
8-20 the annexed territory, is equal to the sales and use tax rate
8-21 imposed by the district in the district territory that was not
8-22 annexed by the municipality.

8-23 Sec. 3984.0605. NOTIFICATION OF RATE CHANGE. The board
8-24 shall notify the comptroller of any changes made to the tax rate
8-25 under this subchapter in the same manner the municipal secretary
8-26 provides notice to the comptroller under Section 321.405(b), Tax
8-27 Code.

8-28 Sec. 3984.0606. USE OF REVENUE. Revenue from the sales and
8-29 use tax imposed under this subchapter is for the use and benefit of
8-30 the district and may be used for any district purpose. The district
8-31 may pledge all or part of the revenue to the payment of bonds,
8-32 notes, or other obligations, and that pledge of revenue may be in
8-33 combination with other revenue, including tax revenue, available to
8-34 the district.

8-35 Sec. 3984.0607. ABOLITION OF TAX. (a) Except as provided
8-36 by Subsection (b), the board may abolish the tax imposed under this
8-37 subchapter without an election.

8-38 (b) The board may not abolish the tax imposed under this
8-39 subchapter if the district has outstanding debt secured by the tax,
8-40 and repayment of the debt would be impaired by the abolition of the
8-41 tax.

8-42 (c) If the board abolishes the tax, the board shall notify
8-43 the comptroller of that action in the same manner the municipal
8-44 secretary provides notice to the comptroller under Section
8-45 321.405(b), Tax Code.

8-46 (d) If the board abolishes the tax or decreases the tax rate
8-47 to zero, a new election to authorize a sales and use tax must be held
8-48 under Section 3984.0602 before the district may subsequently impose
8-49 the tax.

8-50 (e) This section does not apply to a decrease in the sales
8-51 and use tax authorized under Section 3984.0604(c)(2).

8-52 SUBCHAPTER G. HOTEL OCCUPANCY TAX

8-53 Sec. 3984.0701. DEFINITION. In this subchapter, "hotel"
8-54 has the meaning assigned by Section 156.001, Tax Code.

8-55 Sec. 3984.0702. APPLICABILITY OF CERTAIN TAX CODE
8-56 PROVISIONS. (a) For purposes of this subchapter:

8-57 (1) a reference in Subchapter A, Chapter 352, Tax
8-58 Code, to a county is a reference to the district; and

8-59 (2) a reference in Subchapter A, Chapter 352, Tax
8-60 Code, to the commissioners court is a reference to the board.

8-61 (b) Except as inconsistent with this subchapter, Subchapter
8-62 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
8-63 by this subchapter, including the collection of the tax, subject to
8-64 the limitations prescribed by Sections 352.002(b) and (c), Tax
8-65 Code.

8-66 Sec. 3984.0703. TAX AUTHORIZED; USE OF REVENUE. The
8-67 district may impose a hotel occupancy tax for any purpose described
8-68 by Section 351.101 or 352.101, Tax Code.

8-69 Sec. 3984.0704. TAX RATE. (a) The amount of the hotel

9-1 occupancy tax may not exceed the lesser of:
9-2 (1) the maximum rate prescribed by Section 352.003(a),
9-3 Tax Code; or
9-4 (2) a rate that, when added to the rates of all hotel
9-5 occupancy taxes imposed by other political subdivisions with
9-6 territory in the district and by this state, does not exceed the sum
9-7 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
9-8 percent.

9-9 (b) The district tax is in addition to a tax imposed by a
9-10 municipality under Chapter 351, Tax Code, or by the county under
9-11 Chapter 352, Tax Code.

9-12 Sec. 3984.0705. INFORMATION. The district may examine and
9-13 receive information related to the imposition of hotel occupancy
9-14 taxes to the same extent as if the district were a county.

9-15 Sec. 3984.0706. USE OF REVENUE. The district may use
9-16 revenue from the hotel occupancy tax for any district purpose that
9-17 is an authorized use of hotel occupancy tax revenue under Chapter
9-18 351 or 352, Tax Code. The district may pledge all or part of the
9-19 revenue to the payment of bonds, notes, or other obligations and
9-20 that pledge of revenue may be in combination with other revenue
9-21 available to the district.

9-22 Sec. 3984.0707. ABOLITION OF TAX. (a) Except as provided
9-23 by Subsection (b), the board may abolish the tax imposed under this
9-24 subchapter.

9-25 (b) The board may not abolish the tax imposed under this
9-26 subchapter if the district has outstanding debt secured by the tax,
9-27 and repayment of the debt would be impaired by the abolition of the
9-28 tax.

9-29 SUBCHAPTER I. DISSOLUTION

9-30 Sec. 3984.0901. DISSOLUTION. (a) The board shall dissolve
9-31 the district on written petition filed with the board by the owners
9-32 of:

9-33 (1) 66 percent or more of the assessed value of the
9-34 property subject to assessment by the district based on the most
9-35 recent certified county property tax rolls; or

9-36 (2) 66 percent or more of the surface area of the
9-37 district, excluding roads, streets, highways, utility
9-38 rights-of-way, other public areas, and other property exempt from
9-39 assessment by the district according to the most recent certified
9-40 county property tax rolls.

9-41 (b) The board by majority vote may dissolve the district at
9-42 any time.

9-43 (c) The district may not be dissolved by its board under
9-44 Subsection (a) or (b) if the district:

9-45 (1) has any outstanding bonded indebtedness until that
9-46 bonded indebtedness has been repaid or defeased in accordance with
9-47 the order or resolution authorizing the issuance of the bonds;

9-48 (2) has a contractual obligation to pay money until
9-49 that obligation has been fully paid in accordance with the
9-50 contract; or

9-51 (3) owns, operates, or maintains public works,
9-52 facilities, or improvements unless the district contracts with
9-53 another person for the ownership, operation, or maintenance of the
9-54 public works, facilities, or improvements.

9-55 (d) Sections 375.261, 375.262, and 375.264, Local
9-56 Government Code, do not apply to the district.

9-57 SECTION 2. The Fort Bend County Management District No. 3
9-58 initially includes all the territory contained in the following
9-59 area:

9-60 Being approximately 763.4 acres located in the John Jones
9-61 Survey, Abstract 41, the Wiley Martin League, Abstract 56, the
9-62 Peter Teal Survey, Abstract 337, and the M. M. Ryon Survey, Abstract
9-63 368, and located in extraterritorial jurisdiction of the Town of
9-64 Thompsons, Fort Bend County, Texas, more particularly described by
9-65 metes and bounds as follows, (all bearings referenced to the Texas
9-66 Coordinate System, South Central Zone, NAD83):

9-67 Commencing for reference at the southeast corner of the Abner
9-68 Kuykendall League, Abstract 48, said corner being in the northeast
9-69 line of said John Jones Survey;

10-1 Thence, North 67° 34' 45" West, 1,111.11 feet along the
10-2 northeast line of said John Jones Survey to the north corner of the
10-3 said John Jones Survey and east corner of said Wiley Martin League;
10-4 Thence, South 52° 25' 15" West, 6,921.88 feet to the POINT OF
10-5 BEGINNING of the herein described tract, said point being at the
10-6 intersection of the west right-of-way line of State Farm to Market
10-7 Road No. 762 (called 80 feet wide) and the southeast line of said
10-8 Wiley Martin League and northwest line of said John Jones Survey;
10-9 Thence, Southerly along the west right-of-way line of said
10-10 State Farm to Market Road No. 762 with the following eleven (11)
10-11 courses and distances:
10-12 1. South 08° 51' 57" East, 1,050.20 feet, more or less, to
10-13 point, the beginning of a curve;
10-14 2. 194.68 feet, more or less, along the arc of a tangent
10-15 curve to the left, having a radius of 5,212.24 feet, a central angle
10-16 of 02° 08' 24", and a chord which bears South 09° 56' 09" East, 194.67
10-17 feet to a point for corner;
10-18 3. South 11° 00' 23" East, 117.20 feet, more or less, to a
10-19 point;
10-20 4. South 07° 11' 32" East, 150.33 feet, more or less, to a
10-21 point;
10-22 5. South 11° 00' 23" East, 450.00 feet, more or less, to a
10-23 point;
10-24 6. South 16° 43' 01" East, 100.50 feet, more or less, to a
10-25 point;
10-26 7. South 11° 00' 23" East, 340.80 feet, more or less, to
10-27 point, the beginning of a curve;
10-28 8. 402.80 feet, more or less, along the arc of a tangent
10-29 curve to the right, having a radius of 685.50 feet, a central angle
10-30 of 33° 40' 00", and a chord which bears South 05° 49' 37" West, 397.03
10-31 feet to a point for corner;
10-32 9. South 22° 24' 43" West, at 248.71 feet pass a point in the
10-33 North line of the Entrance Road, in all 330.91 feet, more or less,
10-34 to a point in the South line of said Entrance Road to George Park;
10-35 10. South 22° 50' 06" West, 568.79 feet, more or less, to an
10-36 angle point;
10-37 11. South 22° 29' 40" West, 1,570.38 feet, more or less, to
10-38 the southeast corner of this tract;
10-39 Thence, North 67° 30' 40" West, departing the west
10-40 right-of-way line of said State Farm to Market Road No. 762,
10-41 2,249.84 feet, more or less, to the southwest corner of this tract,
10-42 said point being in the centerline of a farm road;
10-43 Thence, North 25° 06' 53" East, along the centerline of a farm
10-44 road, 843.77 feet, more or less, to a point for corner in the
10-45 northwesterly line of the aforementioned M. M. Ryon Survey and the
10-46 southeasterly line of the aforementioned Peter Teal Survey;
10-47 Thence, South 42° 04' 42" West, with the common survey line of
10-48 said M. M. Ryon and Peter Teal Surveys, 3,389.92 feet, more or less,
10-49 to a point for the common east corner of said Peter Teal Survey and
10-50 the William Byrne Survey, Abstract 112, Fort Bend County Texas;
10-51 Thence, North 47° 55' 18" West, with the common survey line of
10-52 said Peter Teal and said William Byrne Survey, 4,536.11 feet, more
10-53 or less, to a point for the common west corner of said Peter Teal and
10-54 William Byrne Surveys, same being in the southeasterly line of the
10-55 Henry Wilcox Survey, Abstract 342, Fort Bend County, Texas;
10-56 Thence, North 42° 04' 42" East, with the common survey line of
10-57 said Peter Teal Survey and said Henry Wilcox Survey, 1,661.11 feet,
10-58 more or less, to a point for the common north corner of said Peter
10-59 Teal and Henry Wilcox Surveys, same being on the southwesterly line
10-60 of the aforementioned Wiley Martin League;
10-61 Thence, South 67° 54' 35" East, with the common line of said
10-62 Peter Teal and Wiley Martin Leagues, 3,158.33 feet, more or less, to
10-63 an angle point for corner;
10-64 Thence, North 52° 04' 42" East, continuing with said common
10-65 line, 1,929.30 feet, more or less, to a point for corner;
10-66 Thence, departing the northeasterly line of said Peter Teal
10-67 Survey and the southerly line of said Wiley Martin League, westerly
10-68 and northerly along the centerline of a farm road the following
10-69 eleven (11) courses and distances:

11-1 1. North 15° 05' 08" East, 224.85 feet, more or less, to a
11-2 point for corner;
11-3 2. North 45° 58' 21" West, 1,101.01 feet, more or less, to a
11-4 point for corner;
11-5 3. North 39° 47' 43" West, 109.50 feet, more or less, to a
11-6 point for corner;
11-7 4. North 16° 57' 20" West, 99.03 feet, more or less, to a
11-8 point for corner;
11-9 5. North 13° 29' 08" West, 438.57 feet, more or less, to a
11-10 point for corner;
11-11 6. North 13° 38' 07" West, 1,498.84 feet, more or less, to a
11-12 point for corner;
11-13 7. North 18° 59' 40" West, 80.30 feet, more or less, to a
11-14 point for corner;
11-15 8. North 42° 20' 03" West, 62.14 feet, more or less, to a
11-16 point for corner;
11-17 9. North 60° 52' 39" West, 236.49 feet, more or less, to a
11-18 point for corner;
11-19 10. North 00° 52' 17" West, 160.45 feet, more or less, to a
11-20 point for corner on a bridge at the centerline of Dry Creek for
11-21 angle point;
11-22 11. North 00° 38' 30" West, 174.07 feet, more or less, to the
11-23 northwest corner of this tract;
11-24 Thence, North 66° 38' 04" East, departing said road, 278.20
11-25 feet, more or less, to a point for corner;
11-26 Thence, South 86° 26' 20" East, 71.37 feet, more or less, to a
11-27 point for corner;
11-28 Thence, North 48° 36' 58" East, 126.06 feet, more or less, to a
11-29 point for corner;
11-30 Thence, North 88° 02' 53" East, 131.33 feet, more or less, to a
11-31 point for corner;
11-32 Thence, North 68° 30' 10" East, 1,817.67 feet, more or less,
11-33 to a point for re-entrant corner of this tract;
11-34 Thence, North 38° 15' 23" West, 140.20 feet, more or less, to a
11-35 point for corner;
11-36 Thence, North 69° 38' 00" East, 224.50 feet, more or less, to
11-37 the north corner of this tract, same being on the westerly
11-38 right-of-way line of the aforementioned State Farm to Market Road
11-39 No. 762;
11-40 Thence, South 38° 09' 57" East, with said westerly
11-41 right-of-way line, 1,241.87 feet, more or less, to the north corner
11-42 of a State of Texas 2.2750 acre Tract;
11-43 Thence, with the northerly, westerly, and southerly lines of
11-44 said 2.2750 acre tract the following five (5) courses and
11-45 distances:
11-46 1. South 51° 50' 03" West, 20.00 feet, more or less, to a
11-47 point for corner;
11-48 2. South 38° 09' 57" East, 100.00 feet, more or less, to a
11-49 point for corner, the beginning of a curve;
11-50 3. 1,710.57 feet, more or less, along the arc of a tangent
11-51 curve to the right, having a radius of 3,345.00 feet, a central
11-52 angle of 29° 18' 00", and a chord which bears South 23° 30' 57" East,
11-53 1,691.99 feet to a point for corner;
11-54 4. South 08° 51' 57" East, 100.00 feet, more or less, to a
11-55 point for corner;
11-56 5. North 81° 08' 03" East, 20.00 feet, more or less, to a
11-57 point for corner in the westerly right-of-way line of said State
11-58 Farm Market Road No. 762;
11-59 Thence, South 08° 51' 57" East, along said westerly
11-60 right-of-way line, 289.74 feet, more or less, to the POINT OF
11-61 BEGINNING and containing approximately 763.4 acres of land.
11-62 SECTION 3. (a) The legal notice of the intention to
11-63 introduce this Act, setting forth the general substance of this
11-64 Act, has been published as provided by law, and the notice and a
11-65 copy of this Act have been furnished to all persons, agencies,
11-66 officials, or entities to which they are required to be furnished
11-67 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11-68 Government Code.
11-69 (b) The governor, one of the required recipients, has

12-1 submitted the notice and Act to the Texas Commission on
12-2 Environmental Quality.

12-3 (c) The Texas Commission on Environmental Quality has filed
12-4 its recommendations relating to this Act with the governor,
12-5 lieutenant governor, and speaker of the house of representatives
12-6 within the required time.

12-7 (d) All requirements of the constitution and laws of this
12-8 state and the rules and procedures of the legislature with respect
12-9 to the notice, introduction, and passage of this Act have been
12-10 fulfilled and accomplished.

12-11 SECTION 4. This Act takes effect immediately if it receives
12-12 a vote of two-thirds of all the members elected to each house, as
12-13 provided by Section 39, Article III, Texas Constitution. If this
12-14 Act does not receive the vote necessary for immediate effect, this
12-15 Act takes effect September 1, 2019.

12-16

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