

1-1 By: Creighton S.B. No. 2459
 1-2 (In the Senate - Filed March 26, 2019; March 27, 2019, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; April 23, 2019, reported favorably by the following
 1-5 vote: Yeas 6, Nays 0; April 23, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Wood Trace Management District of
 1-18 Montgomery County, Texas; providing authority to issue bonds;
 1-19 providing authority to impose assessments, fees, and taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-22 Code, is amended by adding Chapter 3967 to read as follows:

1-23 CHAPTER 3967. WOOD TRACE MANAGEMENT DISTRICT OF MONTGOMERY COUNTY,
 1-24 TEXAS

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 3967.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "County" means Montgomery County.

1-29 (3) "Director" means a board member.

1-30 (4) "District" means the Wood Trace Management
 1-31 District of Montgomery County, Texas.

1-32 Sec. 3967.0102. 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. 3967.0103. PURPOSE; DECLARATION OF INTENT. (a) The
 1-41 creation of the district is essential to accomplish the purposes of
 1-42 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-43 Texas Constitution, and other public purposes stated in this
 1-44 chapter. By creating the district, the legislature has established
 1-45 a program to accomplish the public purposes set out in Sections 52
 1-46 and 52-a, Article III, Texas Constitution.

1-47 (b) The creation of the district is necessary to promote,
 1-48 develop, encourage, and maintain employment, commerce,
 1-49 transportation, housing, tourism, recreation, the arts,
 1-50 entertainment, economic development, safety, and the public
 1-51 welfare in the district.

1-52 (c) This chapter and the creation of the district may not be
 1-53 interpreted to relieve a municipality or the county from providing
 1-54 the level of services provided as of the effective date of the Act
 1-55 enacting this chapter to the area in the district. The district is
 1-56 created to supplement and not to supplant governmental services
 1-57 provided in the district.

1-58 Sec. 3967.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-59 (a) The district is created to serve a public use and benefit.

1-60 (b) All land and other property included in the district
 1-61 will benefit from the improvements and services to be provided by

2-1 the district under powers conferred by Sections 52 and 52-a,
 2-2 Article III, and Section 59, Article XVI, Texas Constitution, and
 2-3 other powers granted under this chapter.

2-4 (c) The creation of the district is in the public interest
 2-5 and is essential to further the public purposes of:

2-6 (1) developing and diversifying the economy of the
 2-7 state;

2-8 (2) eliminating unemployment and underemployment; and

2-9 (3) developing or expanding transportation and
 2-10 commerce.

2-11 (d) The district will:

2-12 (1) promote the health, safety, and general welfare of
 2-13 residents, employers, potential employees, employees, visitors,
 2-14 and consumers in the district, and of the public;

2-15 (2) provide needed funding for the district to
 2-16 preserve, maintain, and enhance the economic health and vitality of
 2-17 the district territory as a community and business center;

2-18 (3) promote the health, safety, welfare, and enjoyment
 2-19 of the public by providing pedestrian ways, transit facilities,
 2-20 parking facilities, and public art objects, and by landscaping and
 2-21 developing certain areas in the district, which are necessary for
 2-22 the restoration, preservation, and enhancement of scenic beauty;
 2-23 and

2-24 (4) provide for water, wastewater, drainage, road, and
 2-25 recreational facilities for the district.

2-26 (e) Pedestrian ways along or across a street, whether at
 2-27 grade or above or below the surface, and street lighting, street
 2-28 landscaping, parking, and street art objects are parts of and
 2-29 necessary components of a street and are considered to be a street
 2-30 or road improvement.

2-31 (f) The district will not act as the agent or
 2-32 instrumentality of any private interest even though the district
 2-33 will benefit many private interests as well as the public.

2-34 Sec. 3967.0105. DISTRICT TERRITORY. (a) The district is
 2-35 initially composed of the territory described by Section 2 of the
 2-36 Act enacting this chapter.

2-37 (b) The boundaries and field notes of the district contained
 2-38 in Section 2 of the Act enacting this chapter form a closure. A
 2-39 mistake in the field notes or in copying the field notes in the
 2-40 legislative process does not affect the district's:

2-41 (1) organization, existence, or validity;

2-42 (2) right to issue any type of bonds for a purpose for
 2-43 which the district is created or to pay the principal of and
 2-44 interest on the bonds;

2-45 (3) right to impose or collect an assessment or tax; or

2-46 (4) legality or operation.

2-47 Sec. 3967.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
 2-48 All or any part of the area of the district is eligible to be
 2-49 included in:

2-50 (1) a tax increment reinvestment zone created under
 2-51 Chapter 311, Tax Code;

2-52 (2) a tax abatement reinvestment zone created under
 2-53 Chapter 312, Tax Code;

2-54 (3) an enterprise zone created under Chapter 2303,
 2-55 Government Code; or

2-56 (4) an industrial district created under Chapter 42,
 2-57 Local Government Code.

2-58 Sec. 3967.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-59 DISTRICTS LAW. Except as otherwise provided by this chapter,
 2-60 Chapter 375, Local Government Code, applies to the district.

2-61 Sec. 3967.0108. LIBERAL CONSTRUCTION OF CHAPTER. This
 2-62 chapter shall be liberally construed in conformity with the
 2-63 findings and purposes stated in this chapter.

2-64 Sec. 3967.0109. CONFLICTS OF LAW. This chapter prevails
 2-65 over any provision of general law, including a provision of Chapter
 2-66 375, Local Government Code, or Chapter 49, Water Code, that is in
 2-67 conflict or inconsistent with this chapter.

2-68 SUBCHAPTER B. BOARD OF DIRECTORS

2-69 Sec. 3967.0201. GOVERNING BODY; TERMS. (a) The district

3-1 is governed by a board of five directors elected or appointed as
 3-2 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-3 (b) Except as provided by Section 3967.0203, directors
 3-4 serve staggered four-year terms.

3-5 Sec. 3967.0202. COMPENSATION. A director is entitled to
 3-6 receive fees of office and reimbursement for actual expenses as
 3-7 provided by Section 49.060, Water Code. Sections 375.069 and
 3-8 375.070, Local Government Code, do not apply to the board.

3-9 Sec. 3967.0203. TEMPORARY DIRECTORS. (a) On or after the
 3-10 effective date of the Act creating this chapter, the owner or owners
 3-11 of a majority of the assessed value of the real property in the
 3-12 district according to the most recent certified tax appraisal roll
 3-13 for the county may submit a petition to the Texas Commission on
 3-14 Environmental Quality requesting that the commission appoint as
 3-15 temporary directors the five persons named in the petition. The
 3-16 commission shall appoint as temporary directors the five persons
 3-17 named in the petition.

3-18 (b) The temporary or successor temporary directors shall
 3-19 hold an election to elect five permanent directors as provided by
 3-20 Section 49.102, Water Code.

3-21 (c) Temporary directors serve until the earlier of:

3-22 (1) the date permanent directors are elected under
 3-23 Subsection (b); or

3-24 (2) the fourth anniversary of the effective date of
 3-25 the Act creating this chapter.

3-26 (d) If permanent directors have not been elected under
 3-27 Subsection (b) and the terms of the temporary directors have
 3-28 expired, successor temporary directors shall be appointed or
 3-29 reappointed as provided by Subsection (e) to serve terms that
 3-30 expire on the earlier of:

3-31 (1) the date permanent directors are elected under
 3-32 Subsection (b); or

3-33 (2) the fourth anniversary of the date of the
 3-34 appointment or reappointment.

3-35 (e) If Subsection (d) applies, the owner or owners of a
 3-36 majority of the assessed value of the real property in the district
 3-37 according to the most recent certified tax appraisal roll for the
 3-38 county may submit a petition to the Texas Commission on
 3-39 Environmental Quality requesting that the commission appoint as
 3-40 successor temporary directors the five persons named in the
 3-41 petition. The commission shall appoint as successor temporary
 3-42 directors the five persons named in the petition.

3-43 Sec. 3967.0204. DISQUALIFICATION OF DIRECTORS. Section
 3-44 49.052, Water Code, applies to the members of the board.

3-45 SUBCHAPTER C. POWERS AND DUTIES

3-46 Sec. 3967.0301. GENERAL POWERS AND DUTIES. The district
 3-47 has the powers and duties necessary to accomplish the purposes for
 3-48 which the district is created.

3-49 Sec. 3967.0302. IMPROVEMENT PROJECTS AND SERVICES.

3-50 (a) The district may provide, design, construct, acquire,
 3-51 improve, relocate, operate, maintain, or finance an improvement
 3-52 project or service using money available to the district for that
 3-53 purpose, or contract with a governmental or private entity to
 3-54 provide, design, construct, acquire, improve, relocate, operate,
 3-55 maintain, or finance an improvement project or service authorized
 3-56 under this chapter or under Chapter 375, Local Government Code.

3-57 (b) The implementation of a district project or service is a
 3-58 governmental function or service for the purposes of Chapter 791,
 3-59 Government Code.

3-60 Sec. 3967.0303. RECREATIONAL FACILITIES. The district may
 3-61 develop or finance recreational facilities as authorized by Chapter
 3-62 375, Local Government Code, Sections 52 and 52-a, Article III,
 3-63 Texas Constitution, Section 59, Article XVI, Texas Constitution,
 3-64 and any other law that applies to the district.

3-65 Sec. 3967.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
 3-66 52, Article III, Texas Constitution, the district may own, operate,
 3-67 maintain, design, acquire, construct, finance, issue bonds, notes,
 3-68 or other obligations for, improve, and convey to this state, a
 3-69 county, or a municipality for ownership, operation, and maintenance

4-1 macadamized, graveled, or paved roads or improvements, including
4-2 storm drainage, in aid of those roads.

4-3 Sec. 3967.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

4-4 (a) The district may convey a road project authorized by Section
4-5 3967.0304 to:

4-6 (1) a municipality or county that will operate and
4-7 maintain the road if the municipality or county has approved the
4-8 plans and specifications of the road project; or

4-9 (2) the state if the state will operate and maintain
4-10 the road and the Texas Transportation Commission has approved the
4-11 plans and specifications of the road project.

4-12 (b) Except as provided by Subsection (c), the district shall
4-13 operate and maintain a road project authorized by Section 3967.0304
4-14 that the district implements and does not convey to a municipality,
4-15 a county, or this state under Subsection (a).

4-16 (c) The district may agree in writing with a municipality, a
4-17 county, or this state to assign operation and maintenance duties to
4-18 the district, the municipality, the county, or this state in a
4-19 manner other than the manner described in Subsections (a) and (b).

4-20 Sec. 3967.0306. NONPROFIT CORPORATION. (a) The board by
4-21 resolution may authorize the creation of a nonprofit corporation to
4-22 assist and act for the district in implementing a project or
4-23 providing a service authorized by this chapter.

4-24 (b) The nonprofit corporation:

4-25 (1) has each power of and is considered to be a local
4-26 government corporation created under Subchapter D, Chapter 431,
4-27 Transportation Code; and

4-28 (2) may implement any project and provide any service
4-29 authorized by this chapter.

4-30 (c) The board shall appoint the board of directors of the
4-31 nonprofit corporation. The board of directors of the nonprofit
4-32 corporation shall serve in the same manner as the board of directors
4-33 of a local government corporation created under Subchapter D,
4-34 Chapter 431, Transportation Code, except that a board member is not
4-35 required to reside in the district.

4-36 Sec. 3967.0307. LAW ENFORCEMENT SERVICES. Section 49.216,
4-37 Water Code, applies to the district.

4-38 Sec. 3967.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
4-39 The district may join and pay dues to a charitable or nonprofit
4-40 organization that performs a service or provides an activity
4-41 consistent with the furtherance of a district purpose.

4-42 Sec. 3967.0309. ECONOMIC DEVELOPMENT. (a) The district
4-43 may engage in activities that accomplish the economic development
4-44 purposes of the district.

4-45 (b) The district may establish and provide for the
4-46 administration of one or more programs to promote state or local
4-47 economic development and to stimulate business and commercial
4-48 activity in the district, including programs to:

4-49 (1) make loans and grants of public money; and

4-50 (2) provide district personnel and services.

4-51 (c) The district may create economic development programs
4-52 and exercise the economic development powers that:

4-53 (1) Chapter 380, Local Government Code, provides to a
4-54 municipality; and

4-55 (2) Subchapter A, Chapter 1509, Government Code,
4-56 provides to a municipality.

4-57 Sec. 3967.0310. STRATEGIC PARTNERSHIP AGREEMENT. The
4-58 district may negotiate and enter into a written strategic
4-59 partnership agreement with a municipality under Section 43.0751,
4-60 Local Government Code.

4-61 Sec. 3967.0311. REGIONAL PARTICIPATION AGREEMENT. The
4-62 district may negotiate and enter into a written regional
4-63 participation agreement with a municipality under Section 43.0754,
4-64 Local Government Code.

4-65 Sec. 3967.0312. PARKING FACILITIES. (a) The district may
4-66 acquire, lease as lessor or lessee, construct, develop, own,
4-67 operate, and maintain parking facilities or a system of parking
4-68 facilities, including lots, garages, parking terminals, or other
4-69 structures or accommodations for parking motor vehicles off the

5-1 streets and related appurtenances.

5-2 (b) The district's parking facilities serve the public
 5-3 purposes of the district and are owned, used, and held for a public
 5-4 purpose even if leased or operated by a private entity for a term of
 5-5 years.

5-6 (c) The district's parking facilities are parts of and
 5-7 necessary components of a street and are considered to be a street
 5-8 or road improvement.

5-9 (d) The development and operation of the district's parking
 5-10 facilities may be considered an economic development program.

5-11 Sec. 3967.0313. ADDING OR EXCLUDING LAND. (a) The
 5-12 district may add land in the manner provided by Subchapter J,
 5-13 Chapter 49, Water Code.

5-14 (b) The district may exclude land as provided by Subchapter
 5-15 J, Chapter 49, Water Code. Section 375.044(b), Local Government
 5-16 Code, does not apply to the district.

5-17 (c) The district may include and exclude land as provided by
 5-18 Sections 54.739-54.747, Water Code. A reference in those sections
 5-19 to a "tax" means an ad valorem tax for the purposes of this
 5-20 subsection.

5-21 (d) If the district adopts a sales and use tax authorized at
 5-22 an election held under Section 3967.0602 and subsequently includes
 5-23 new territory in the district under this section, the district:

5-24 (1) is not required to hold another election to
 5-25 approve the imposition of the sales and use tax in the included
 5-26 territory; and

5-27 (2) shall impose the sales and use tax in the included
 5-28 territory as provided by Chapter 321, Tax Code.

5-29 (e) If the district adopts a sales and use tax authorized at
 5-30 an election held under Section 3967.0602 and subsequently excludes
 5-31 territory in the district under this section, the sales and use tax
 5-32 is inapplicable to the excluded territory, as provided by Chapter
 5-33 321, Tax Code, but is applicable to the territory remaining in the
 5-34 district.

5-35 Sec. 3967.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-36 board by resolution shall establish the number of directors'
 5-37 signatures and the procedure required for a disbursement or
 5-38 transfer of district money.

5-39 Sec. 3967.0315. AUDIT EXEMPTION. (a) The district may
 5-40 elect to complete an annual financial report in lieu of an annual
 5-41 audit under Section 375.096(a)(6), Local Government Code, if:

5-42 (1) the district had no bonds or other long-term (more
 5-43 than one year) liabilities outstanding during the fiscal period;

5-44 (2) the district did not have gross receipts from
 5-45 operations, loans, taxes, assessments, or contributions in excess
 5-46 of \$250,000 during the fiscal period; and

5-47 (3) the district's cash and temporary investments were
 5-48 not in excess of \$250,000 during the fiscal period.

5-49 (b) Each annual financial report prepared in accordance
 5-50 with this section must be open to public inspection and accompanied
 5-51 by an affidavit signed by a duly authorized representative of the
 5-52 district attesting to the accuracy and authenticity of the
 5-53 financial report.

5-54 (c) The annual financial report and affidavit shall be
 5-55 substantially similar in form to the annual financial report and
 5-56 affidavit forms prescribed by the executive director of the Texas
 5-57 Commission on Environmental Quality under Section 49.198, Water
 5-58 Code.

5-59 Sec. 3967.0316. NO EMINENT DOMAIN POWER. The district may
 5-60 not exercise the power of eminent domain.

5-61 SUBCHAPTER D. ASSESSMENTS

5-62 Sec. 3967.0401. PETITION REQUIRED FOR FINANCING SERVICES
 5-63 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance
 5-64 a service or improvement project with assessments under this
 5-65 chapter unless a written petition requesting that service or
 5-66 improvement has been filed with the board.

5-67 (b) The petition must be signed by the owners of a majority
 5-68 of the assessed value of real property in the district subject to
 5-69 assessment according to the most recent certified tax appraisal

6-1 roll for the county.

6-2 Sec. 3967.0402. METHOD OF NOTICE FOR HEARING. The district
6-3 may mail the notice required by Section 375.115(c), Local
6-4 Government Code, by certified or first class United States mail.
6-5 The board shall determine the method of notice.

6-6 Sec. 3967.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS.
6-7 (a) The board by resolution may impose and collect an assessment
6-8 for any purpose authorized by this chapter in all or any part of the
6-9 district.

6-10 (b) An assessment, a reassessment, or an assessment
6-11 resulting from an addition to or correction of the assessment roll
6-12 by the district, penalties and interest on an assessment or
6-13 reassessment, an expense of collection, and reasonable attorney's
6-14 fees incurred by the district are:

6-15 (1) a first and prior lien against the property
6-16 assessed;

6-17 (2) superior to any other lien or claim other than a
6-18 lien or claim for county, school district, or municipal ad valorem
6-19 taxes; and

6-20 (3) the personal liability of and a charge against the
6-21 owners of the property even if the owners are not named in the
6-22 assessment proceedings.

6-23 (c) The lien is effective from the date of the board's
6-24 resolution imposing the assessment until the date the assessment is
6-25 paid. The board may enforce the lien in the same manner that the
6-26 board may enforce an ad valorem tax lien against real property.

6-27 (d) The board may make a correction to or deletion from the
6-28 assessment roll that does not increase the amount of assessment of
6-29 any parcel of land without providing notice and holding a hearing in
6-30 the manner required for additional assessments.

6-31 SUBCHAPTER E. TAXES AND BONDS

6-32 Sec. 3967.0501. TAX ELECTION REQUIRED. The district must
6-33 hold an election in the manner provided by Chapter 49, Water Code,
6-34 or, if applicable, Chapter 375, Local Government Code, to obtain
6-35 voter approval before the district may impose an ad valorem tax.

6-36 Sec. 3967.0502. OPERATION AND MAINTENANCE TAX. (a) If
6-37 authorized by a majority of the district voters voting at an
6-38 election under Section 3967.0501, the district may impose an
6-39 operation and maintenance tax on taxable property in the district
6-40 in the manner provided by Section 49.107, Water Code, for any
6-41 district purpose, including to:

6-42 (1) maintain and operate the district;

6-43 (2) construct or acquire improvements; or

6-44 (3) provide a service.

6-45 (b) The board shall determine the operation and maintenance
6-46 tax rate. The rate may not exceed the rate approved at the
6-47 election.

6-48 (c) Section 49.107(h), Water Code, does not apply to the
6-49 district.

6-50 Sec. 3967.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
6-51 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
6-52 terms determined by the board.

6-53 (b) The district may, by competitive bid or negotiated sale,
6-54 issue bonds, notes, or other obligations payable wholly or partly
6-55 from ad valorem taxes, assessments, impact fees, revenue, contract
6-56 payments, grants, or other district money, or any combination of
6-57 those sources of money, to pay for any authorized district purpose.

6-58 (c) The limitation on the outstanding principal amount of
6-59 bonds, notes, or other obligations provided by Section 49.4645,
6-60 Water Code, does not apply to the district.

6-61 Sec. 3967.0504. BONDS SECURED BY REVENUE OR CONTRACT
6-62 PAYMENTS. The district may issue, without an election, bonds
6-63 secured by:

6-64 (1) revenue other than ad valorem taxes, including
6-65 contract revenues; or

6-66 (2) contract payments, provided that the requirements
6-67 of Section 49.108, Water Code, have been met.

6-68 Sec. 3967.0505. BONDS SECURED BY AD VALOREM TAXES;
6-69 ELECTIONS. (a) If authorized at an election under Section

7-1 3967.0501, the district may issue bonds payable from ad valorem
 7-2 taxes.

7-3 (b) Section 375.243, Local Government Code, does not apply
 7-4 to the district.

7-5 (c) At the time the district issues bonds payable wholly or
 7-6 partly from ad valorem taxes, the board shall provide for the annual
 7-7 imposition of a continuing direct annual ad valorem tax, without
 7-8 limit as to rate or amount, for each year that all or part of the
 7-9 bonds are outstanding as required and in the manner provided by
 7-10 Sections 54.601 and 54.602, Water Code.

7-11 (d) All or any part of any facilities or improvements that
 7-12 may be acquired by a district by the issuance of its bonds may be
 7-13 submitted as a single proposition or as several propositions to be
 7-14 voted on at the election.

7-15 Sec. 3967.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
 7-16 board may not issue bonds until each municipality in whose
 7-17 corporate limits or extraterritorial jurisdiction the district is
 7-18 located has consented by ordinance or resolution to the creation of
 7-19 the district and to the inclusion of land in the district.

7-20 (b) This section applies only to the district's first
 7-21 issuance of bonds payable from ad valorem taxes.

7-22 SUBCHAPTER F. SALES AND USE TAX

7-23 Sec. 3967.0601. APPLICABILITY OF CERTAIN TAX CODE
 7-24 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
 7-25 computation, administration, enforcement, and collection of the
 7-26 sales and use tax authorized by this subchapter except to the extent
 7-27 Chapter 321, Tax Code, is inconsistent with this chapter.

7-28 (b) A reference in Chapter 321, Tax Code, to a municipality
 7-29 or the governing body of a municipality is a reference to the
 7-30 district or the board, respectively.

7-31 Sec. 3967.0602. ELECTION; ADOPTION OF TAX. (a) The
 7-32 district may adopt a sales and use tax if authorized by a majority
 7-33 of the voters of the district voting at an election held for that
 7-34 purpose.

7-35 (b) The board by order may call an election to authorize the
 7-36 adoption of the sales and use tax. The election may be held on any
 7-37 uniform election date and in conjunction with any other district
 7-38 election.

7-39 (c) The ballot shall be printed to provide for voting for or
 7-40 against the proposition: "Authorization of a sales and use tax in
 7-41 the Wood Trace Management District of Montgomery County, Texas, at
 7-42 a rate not to exceed _____ percent" (insert rate of one or more
 7-43 increments of one-eighth of one percent).

7-44 Sec. 3967.0603. SALES AND USE TAX RATE. (a) On or after
 7-45 the date the results are declared of an election held under Section
 7-46 3967.0602, at which the voters approved imposition of the tax
 7-47 authorized by this subchapter, the board shall determine and adopt
 7-48 by resolution or order the initial rate of the tax, which must be in
 7-49 one or more increments of one-eighth of one percent.

7-50 (b) After the election held under Section 3967.0602, the
 7-51 board may increase or decrease the rate of the tax by one or more
 7-52 increments of one-eighth of one percent.

7-53 (c) The initial rate of the tax or any rate resulting from
 7-54 subsequent increases or decreases may not exceed the lesser of:

7-55 (1) the maximum rate authorized by the district voters
 7-56 at the election held under Section 3967.0602; or

7-57 (2) a rate that, when added to the rates of all sales
 7-58 and use taxes imposed by other political subdivisions with
 7-59 territory in the district, would result in the maximum combined
 7-60 rate prescribed by Section 321.101(f), Tax Code, at any location in
 7-61 the district.

7-62 Sec. 3967.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
 7-63 section applies to the district after a municipality annexes part
 7-64 of the territory in the district and imposes the municipality's
 7-65 sales and use tax in the annexed territory.

7-66 (b) If at the time of annexation the district has
 7-67 outstanding debt or other obligations payable wholly or partly from
 7-68 district sales and use tax revenue, Section 321.102(g), Tax Code,
 7-69 applies to the district.

8-1 (c) If at the time of annexation the district does not have
 8-2 outstanding debt or other obligations payable wholly or partly from
 8-3 district sales and use tax revenue, the district may:

8-4 (1) exclude the annexed territory from the district,
 8-5 if the district has no outstanding debt or other obligations
 8-6 payable from any source; or

8-7 (2) reduce the sales and use tax in the annexed
 8-8 territory by resolution or order of the board to a rate that, when
 8-9 added to the sales and use tax rate imposed by the municipality in
 8-10 the annexed territory, is equal to the sales and use tax rate
 8-11 imposed by the district in the district territory that was not
 8-12 annexed by the municipality.

8-13 Sec. 3967.0605. NOTIFICATION OF RATE CHANGE. The board
 8-14 shall notify the comptroller of any changes made to the tax rate
 8-15 under this subchapter in the same manner the municipal secretary
 8-16 provides notice to the comptroller under Section 321.405(b), Tax
 8-17 Code.

8-18 Sec. 3967.0606. USE OF REVENUE. Revenue from the sales and
 8-19 use tax imposed under this subchapter is for the use and benefit of
 8-20 the district and may be used for any district purpose. The district
 8-21 may pledge all or part of the revenue to the payment of bonds,
 8-22 notes, or other obligations, and that pledge of revenue may be in
 8-23 combination with other revenue, including tax revenue, available to
 8-24 the district.

8-25 Sec. 3967.0607. ABOLITION OF TAX. (a) Except as provided
 8-26 by Subsection (b), the board may abolish the tax imposed under this
 8-27 subchapter without an election.

8-28 (b) The board may not abolish the tax imposed under this
 8-29 subchapter if the district has outstanding debt secured by the tax,
 8-30 and repayment of the debt would be impaired by the abolition of the
 8-31 tax.

8-32 (c) If the board abolishes the tax, the board shall notify
 8-33 the comptroller of that action in the same manner the municipal
 8-34 secretary provides notice to the comptroller under Section
 8-35 321.405(b), Tax Code.

8-36 (d) If the board abolishes the tax or decreases the tax rate
 8-37 to zero, a new election to authorize a sales and use tax must be held
 8-38 under Section 3967.0602 before the district may subsequently impose
 8-39 the tax.

8-40 (e) This section does not apply to a decrease in the sales
 8-41 and use tax authorized under Section 3967.0604(c)(2).

8-42 SUBCHAPTER G. HOTEL OCCUPANCY TAX

8-43 Sec. 3967.0701. DEFINITION. In this subchapter, "hotel"
 8-44 has the meaning assigned by Section 156.001, Tax Code.

8-45 Sec. 3967.0702. APPLICABILITY OF CERTAIN TAX CODE
 8-46 PROVISIONS. (a) For purposes of this subchapter:

8-47 (1) a reference in Subchapter A, Chapter 352, Tax
 8-48 Code, to a county is a reference to the district; and

8-49 (2) a reference in Subchapter A, Chapter 352, Tax
 8-50 Code, to the commissioners court is a reference to the board.

8-51 (b) Except as inconsistent with this subchapter, Subchapter
 8-52 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
 8-53 by this subchapter, including the collection of the tax, subject to
 8-54 the limitations prescribed by Sections 352.002(b) and (c), Tax
 8-55 Code.

8-56 Sec. 3967.0703. TAX AUTHORIZED; USE OF REVENUE. The
 8-57 district may impose a hotel occupancy tax for any purpose described
 8-58 by Section 351.101 or 352.101, Tax Code.

8-59 Sec. 3967.0704. TAX RATE. (a) The amount of the hotel
 8-60 occupancy tax may not exceed the lesser of:

8-61 (1) the maximum rate prescribed by Section 352.003(a),
 8-62 Tax Code; or

8-63 (2) a rate that, when added to the rates of all hotel
 8-64 occupancy taxes imposed by other political subdivisions with
 8-65 territory in the district and by this state, does not exceed the sum
 8-66 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
 8-67 percent.

8-68 (b) The district tax is in addition to a tax imposed by a
 8-69 municipality under Chapter 351, Tax Code, or by the county under

9-1 Chapter 352, Tax Code.
 9-2 Sec. 3967.0705. INFORMATION. The district may examine and
 9-3 receive information related to the imposition of hotel occupancy
 9-4 taxes to the same extent as if the district were a county.

9-5 Sec. 3967.0706. USE OF REVENUE. The district may use
 9-6 revenue from the hotel occupancy tax for any district purpose that
 9-7 is an authorized use of hotel occupancy tax revenue under Chapter
 9-8 351 or 352, Tax Code. The district may pledge all or part of the
 9-9 revenue to the payment of bonds, notes, or other obligations and
 9-10 that pledge of revenue may be in combination with other revenue
 9-11 available to the district.

9-12 Sec. 3967.0707. ABOLITION OF TAX. (a) Except as provided
 9-13 by Subsection (b), the board may abolish the tax imposed under this
 9-14 subchapter.

9-15 (b) The board may not abolish the tax imposed under this
 9-16 subchapter if the district has outstanding debt secured by the tax,
 9-17 and repayment of the debt would be impaired by the abolition of the
 9-18 tax.

9-19 SUBCHAPTER I. DISSOLUTION BY BOARD

9-20 Sec. 3967.0901. DISSOLUTION OF DISTRICT WITH OUTSTANDING
 9-21 DEBT. (a) The board may dissolve the district regardless of
 9-22 whether the district has debt. Section 375.264, Local Government
 9-23 Code, does not apply to the district.

9-24 (b) If the district has debt when it is dissolved, the
 9-25 district shall remain in existence solely for the purpose of
 9-26 discharging its debts. The dissolution is effective when all debts
 9-27 have been discharged.

9-28 SECTION 2. The Wood Trace Management District of Montgomery
 9-29 County, Texas, initially includes all the territory contained in
 9-30 the following area:

9-31 Being a 92.63-acre tract of land, located in the Andrew J.
 9-32 Hensley, Abstract No. 255 in Montgomery County, Texas; said
 9-33 92.63-acre tract being out of a called 2,253.2253-acre tract of
 9-34 land conveyed to Terra Investments, LP in Clerk's File Number
 9-35 2004023496 of the Official Public Records of Real Property of
 9-36 Montgomery County Texas (O.P.R.R.P.M.C.T.); said 92.63-acre tract
 9-37 being more particularly described by metes and bounds as follows
 9-38 (all bearings are referenced to the north line of said
 9-39 2,253.2253-acre tract):

9-40 Beginning at a 5/8-inch iron rod with aluminum cap found at
 9-41 the northwest corner of a called 10.0000-acre tract of land
 9-42 recorded in Clerk's File Number 9350680 of the O.P.R.R.P.M.C.T.,
 9-43 same being on the west line of said called 2,253.2253-acre tract and
 9-44 the east right-of-way (R.O.W.) line of Highway 149 (60-foot wide);

9-45 1. Thence, with the common line of said Highway 149 and said
 9-46 called 2,253.2253-acre tract, North 08 degrees 35 minutes 16
 9-47 seconds West, a distance of 620.67 feet;

9-48 2. Thence, continuing with said common line, 291.17 feet
 9-49 along the arc of a curve to the right, said curve having a central
 9-50 angle of 05 degrees 59 minutes 03 seconds, a radius of 2,787.83 feet
 9-51 and a chord that bears North 05 degrees 35 minutes 45 seconds West,
 9-52 a distance of 291.04 feet;

9-53 3. Thence, with the northwest line of said called
 9-54 2,253.2253-acre tract, North 42 degrees 18 minutes 44 seconds East,
 9-55 a distance of 1,390.50 feet;

9-56 4. Thence, continuing with the northwest line of said called
 9-57 2,253.2253-acre tract, North 43 degrees 05 minutes 06 seconds East,
 9-58 a distance of 188.90 feet to the most westerly corner of a called
 9-59 34.6647-acre tract of land recorded in Clerk's File Number
 9-60 2018021947 of the O.P.R.R.P.M.C.T.;

9-61 Thence, with the west line of said called 34.6647-acre tract,
 9-62 the following five (5) courses:

9-63 5. 1,433.79 feet along the arc of a curve to the right, said
 9-64 curve having a central angle of 30 degrees 49 minutes 40 seconds, a
 9-65 radius of 2,664.79 feet and a chord that bears South 25 degrees 30
 9-66 minutes 44 seconds East, a distance of 1,416.55 feet;

9-67 6. South 10 degrees 05 minutes 54 seconds East, a distance of
 9-68 415.32 feet;

9-69 7. South 10 degrees 05 minutes 54 seconds East, a distance of

10-1 300.00 feet;
 10-2 8. South 10 degrees 05 minutes 54 seconds East, a distance of
 10-3 516.07 feet;
 10-4 9. 1,088.92 feet along the arc of a curve to the left, said
 10-5 curve having a central angle of 10 degrees 31 minutes 19 seconds, a
 10-6 radius of 5,929.58 feet and a chord that bears South 15 degrees 21
 10-7 minutes 34 seconds East, a distance of 1,087.39 feet to the south
 10-8 corner of aforesaid called 34.6647-acre tract, same being a
 10-9 northwesterly line of a called 12.500-acre tract of land recorded
 10-10 in Clerk's File Number 2014032464 of the O.P.R.R.P.M.C.T. and a
 10-11 southeasterly interior line of aforesaid called 2,253.2253-acre
 10-12 tract;

10-13 10. Thence, with the common line of said called 12.500-acre
 10-14 tract and said called 2,253.2253-acre tract, South 41 degrees 39
 10-15 minutes 24 seconds West, a distance of 434.22 feet to a westerly
 10-16 corner of said called 2,253.2253-acre tract;

10-17 11. Thence, with the southwest line of said called
 10-18 2,253.2253-acre tract, North 47 degrees 46 minutes 25 seconds West,
 10-19 a distance of 1,585.59 feet to the south corner of aforesaid called
 10-20 10.0000-acre tract;

10-21 Thence, with the east and north lines of said called
 10-22 10.0000-acre tract, the following six (6) courses:

10-23 12. North 42 degrees 13 minutes 34 seconds East, a distance
 10-24 of 435.59 feet;

10-25 13. North 30 degrees 32 minutes 17 seconds West, a distance
 10-26 of 629.68 feet;

10-27 14. South 81 degrees 24 minutes 44 seconds West, a distance
 10-28 of 342.11 feet;

10-29 15. South 54 degrees 50 minutes 52 seconds West, a distance
 10-30 of 44.73 feet;

10-31 16. South 08 degrees 35 minutes 16 seconds East, a distance
 10-32 of 30.00 feet;

10-33 17. South 81 degrees 24 minutes 44 seconds West, a distance
 10-34 of 200.00 feet to the Point of Beginning and containing 92.63 acres
 10-35 of land.

10-36 SECTION 3. (a) The legal notice of the intention to
 10-37 introduce this Act, setting forth the general substance of this
 10-38 Act, has been published as provided by law, and the notice and a
 10-39 copy of this Act have been furnished to all persons, agencies,
 10-40 officials, or entities to which they are required to be furnished
 10-41 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 10-42 Government Code.

10-43 (b) The governor, one of the required recipients, has
 10-44 submitted the notice and Act to the Texas Commission on
 10-45 Environmental Quality.

10-46 (c) The Texas Commission on Environmental Quality has filed
 10-47 its recommendations relating to this Act with the governor,
 10-48 lieutenant governor, and speaker of the house of representatives
 10-49 within the required time.

10-50 (d) All requirements of the constitution and laws of this
 10-51 state and the rules and procedures of the legislature with respect
 10-52 to the notice, introduction, and passage of this Act have been
 10-53 fulfilled and accomplished.

10-54 SECTION 4. This Act takes effect immediately if it receives
 10-55 a vote of two-thirds of all the members elected to each house, as
 10-56 provided by Section 39, Article III, Texas Constitution. If this
 10-57 Act does not receive the vote necessary for immediate effect, this
 10-58 Act takes effect September 1, 2019.

10-59 * * * * *