

1-1 By: Nichols S.B. No. 2482
 1-2 (In the Senate - Filed March 27, 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 Lucio	X			
1-8 Schwertner	X			
1-9 Alvarado	X			
1-10 Campbell	X			
1-11 Fallon	X			
1-12 Menéndez			X	
1-13 Nichols	X			

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

1-17 relating to the creation of Tarkington Management District No. 1 of
 1-18 Liberty County; providing authority to issue bonds; providing
 1-19 authority to impose assessments, fees, or 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 3973 to read as follows:

1-23 CHAPTER 3973. TARKINGTON MANAGEMENT DISTRICT NO. 1 OF LIBERTY
 1-24 COUNTY

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 3973.0101. DEFINITIONS. In this chapter:

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

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

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

1-30 (4) "District" means the Tarkington Management
 1-31 District No. 1 of Liberty County.

1-32 Sec. 3973.0102. NATURE OF DISTRICT. The district is a
 1-33 special district created under Section 59, Article XVI, Texas
 1-34 Constitution.

1-35 Sec. 3973.0103. PURPOSE; DECLARATION OF INTENT. (a) The
 1-36 creation of the district is essential to accomplish the purposes of
 1-37 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-38 Texas Constitution, and other public purposes stated in this
 1-39 chapter. By creating the district and in authorizing the county and
 1-40 other political subdivisions to contract with the district, the
 1-41 legislature has established a program to accomplish the public
 1-42 purposes set out in Section 52-a, Article III, Texas Constitution.

1-43 (b) The creation of the district is necessary to promote,
 1-44 develop, encourage, and maintain employment, commerce,
 1-45 transportation, housing, tourism, recreation, the arts,
 1-46 entertainment, economic development, safety, and the public
 1-47 welfare in the district.

1-48 (c) This chapter and the creation of the district may not be
 1-49 interpreted to relieve the county from providing the level of
 1-50 services provided as of the effective date of the Act enacting this
 1-51 chapter to the area in the district. The district is created to
 1-52 supplement and not to supplant county services provided in the
 1-53 district.

1-54 Sec. 3973.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-55 (a) The district is created to serve a public use and benefit.

1-56 (b) All land and other property included in the district
 1-57 will benefit from the improvements and services to be provided by
 1-58 the district under powers conferred by Sections 52 and 52-a,
 1-59 Article III, and Section 59, Article XVI, Texas Constitution, and
 1-60 other powers granted under this chapter.

1-61 (c) The creation of the district is in the public interest

2-1 and is essential to further the public purposes of:
2-2 (1) developing and diversifying the economy of the
2-3 state;
2-4 (2) eliminating unemployment and underemployment; and
2-5 (3) developing or expanding transportation and
2-6 commerce.
2-7 (d) The district will:
2-8 (1) promote the health, safety, and general welfare of
2-9 residents, employers, potential employees, employees, visitors,
2-10 and consumers in the district, and of the public;
2-11 (2) provide needed funding for the district to
2-12 preserve, maintain, and enhance the economic health and vitality of
2-13 the district territory as a community and business center;
2-14 (3) promote the health, safety, welfare, and enjoyment
2-15 of the public by providing pedestrian ways and by landscaping and
2-16 developing certain areas in the district, which are necessary for
2-17 the restoration, preservation, and enhancement of scenic beauty;
2-18 and
2-19 (4) provide for water, wastewater, drainage, road,
2-20 transportation, and recreational facilities for the district.
2-21 (e) Pedestrian ways along or across a street, whether at
2-22 grade or above or below the surface, and street lighting, street
2-23 landscaping, parking, and street art objects are parts of and
2-24 necessary components of a street and are considered to be a street
2-25 or road improvement.
2-26 (f) The district will not act as the agent or
2-27 instrumentality of any private interest even though the district
2-28 will benefit many private interests as well as the public.
2-29 Sec. 3973.0105. INITIAL DISTRICT TERRITORY. (a) The
2-30 district is initially composed of the territory described by
2-31 Section 2 of the Act enacting this chapter.
2-32 (b) The boundaries and field notes contained in Section 2 of
2-33 the Act enacting this chapter form a closure. A mistake in the
2-34 field notes or in copying the field notes in the legislative process
2-35 does not affect the district's:
2-36 (1) organization, existence, or validity;
2-37 (2) right to issue any type of bonds for the purposes
2-38 for which the district is created or to pay the principal of and
2-39 interest on the bonds;
2-40 (3) right to impose or collect an assessment or tax; or
2-41 (4) legality or operation.
2-42 Sec. 3973.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-43 All or any part of the area of the district is eligible to be
2-44 included in:
2-45 (1) a tax increment reinvestment zone created under
2-46 Chapter 311, Tax Code;
2-47 (2) a tax abatement reinvestment zone created under
2-48 Chapter 312, Tax Code;
2-49 (3) an enterprise zone created under Chapter 2303,
2-50 Government Code; or
2-51 (4) an industrial district created under Chapter 42,
2-52 Local Government Code.
2-53 Sec. 3973.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-54 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-55 Chapter 375, Local Government Code, applies to the district.
2-56 Sec. 3973.0108. CONSTRUCTION OF CHAPTER. This chapter
2-57 shall be liberally construed in conformity with the findings and
2-58 purposes stated in this chapter.
2-59 Sec. 3973.0109. CONFLICTS OF LAW. This chapter prevails
2-60 over any provision of general law, including a provision of Chapter
2-61 375, Local Government Code, or Chapter 49, Water Code, that is in
2-62 conflict or inconsistent with this chapter.
2-63 SUBCHAPTER B. BOARD OF DIRECTORS
2-64 Sec. 3973.0201. GOVERNING BODY; TERMS. (a) The district
2-65 is governed by a board of five directors elected or appointed as
2-66 provided by this chapter and Subchapter D, Chapter 49, Water Code.
2-67 (b) Except as provided by Section 3973.0204, directors
2-68 serve staggered four-year terms.
2-69 Sec. 3973.0202. QUORUM. For purposes of determining the

3-1 requirements for a quorum of the board, the following are not
3-2 counted:

3-3 (1) a board position vacant for any reason, including
3-4 death, resignation, or disqualification; or

3-5 (2) a director who is abstaining from participation in
3-6 a vote because of a conflict of interest.

3-7 Sec. 3973.0203. COMPENSATION. A director is entitled to
3-8 receive fees of office and reimbursement for actual expenses as
3-9 provided by Section 49.060, Water Code. Sections 375.069 and
3-10 375.070, Local Government Code, do not apply to the board.

3-11 Sec. 3973.0204. TEMPORARY DIRECTORS. (a) The temporary
3-12 board consists of:

3-13 (1) Gready Hunter;

3-14 (2) Kevin Loeffler;

3-15 (3) Rusty Campbell;

3-16 (4) Greg Eknoyan; and

3-17 (5) Gordan Richardson.

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 SUBCHAPTER C. POWERS AND DUTIES

3-44 Sec. 3973.0301. GENERAL POWERS AND DUTIES. The district
3-45 has the powers and duties necessary to accomplish the purposes for
3-46 which the district is created.

3-47 Sec. 3973.0302. IMPROVEMENT PROJECTS AND SERVICES.

3-48 (a) The district may provide, design, construct, acquire,
3-49 improve, relocate, operate, maintain, or finance an improvement
3-50 project or service using money available to the district, or
3-51 contract with a governmental or private entity to provide, design,
3-52 construct, acquire, improve, relocate, operate, maintain, or
3-53 finance an improvement project or service authorized under this
3-54 chapter or under Chapter 375, Local Government Code.

3-55 (b) An improvement project described by Subsection (a) may
3-56 be located inside or outside the district.

3-57 Sec. 3973.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
3-58 52, Article III, Texas Constitution, the district may own, operate,
3-59 maintain, design, acquire, construct, finance, issue bonds, notes,
3-60 or other obligations for, improve, and convey to this state, a
3-61 county, or a municipality for ownership, operation, and maintenance
3-62 macadamized, graveled, or paved roads or improvements, including
3-63 storm drainage, in aid of those roads.

3-64 Sec. 3973.0304. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3-65 (a) The district may convey a road project authorized by Section
3-66 3973.0303 to:

3-67 (1) a municipality or county that will operate and
3-68 maintain the road if the municipality or county has approved the
3-69 plans and specifications of the road project; or

4-1 (2) the state if the state will operate and maintain
 4-2 the road and the Texas Transportation Commission has approved the
 4-3 plans and specifications of the road project.

4-4 (b) Except as provided by Subsection (c), the district shall
 4-5 operate and maintain a road project authorized by Section 3973.0303
 4-6 that the district implements and does not convey to a municipality,
 4-7 a county, or this state under Subsection (a).

4-8 (c) The district may agree in writing with a municipality, a
 4-9 county, or this state to assign operation and maintenance duties to
 4-10 the district, the municipality, the county, or this state in a
 4-11 manner other than the manner described in Subsections (a) and (b).

4-12 Sec. 3973.0305. DEVELOPMENT CORPORATION POWERS. The
 4-13 district, using money available to the district, may exercise the
 4-14 powers given to a development corporation under Chapter 505, Local
 4-15 Government Code, including the power to own, operate, acquire,
 4-16 construct, lease, improve, or maintain a project under that
 4-17 chapter.

4-18 Sec. 3973.0306. NONPROFIT CORPORATION. (a) The board by
 4-19 resolution may authorize the creation of a nonprofit corporation to
 4-20 assist and act for the district in implementing a project or
 4-21 providing a service authorized by this chapter.

4-22 (b) The nonprofit corporation:

4-23 (1) has each power of and is considered to be a local
 4-24 government corporation created under Subchapter D, Chapter 431,
 4-25 Transportation Code; and

4-26 (2) may implement any project and provide any service
 4-27 authorized by this chapter.

4-28 (c) The board shall appoint the board of directors of the
 4-29 nonprofit corporation. The board of directors of the nonprofit
 4-30 corporation shall serve in the same manner as the board of directors
 4-31 of a local government corporation created under Subchapter D,
 4-32 Chapter 431, Transportation Code, except that a board member is not
 4-33 required to reside in the district.

4-34 Sec. 3973.0307. AGREEMENTS; GRANTS. (a) As provided by
 4-35 Chapter 375, Local Government Code, the district may make an
 4-36 agreement with or accept a gift, grant, or loan from any person.

4-37 (b) The implementation of a project is a governmental
 4-38 function or service for the purposes of Chapter 791, Government
 4-39 Code.

4-40 Sec. 3973.0308. LAW ENFORCEMENT SERVICES. To protect the
 4-41 public interest, the district may contract with a qualified party,
 4-42 including the county, to provide law enforcement services in the
 4-43 district.

4-44 Sec. 3973.0309. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
 4-45 The district may join and pay dues to a charitable or nonprofit
 4-46 organization that performs a service or provides an activity
 4-47 consistent with the furtherance of a district purpose.

4-48 Sec. 3973.0310. ECONOMIC DEVELOPMENT. (a) The district
 4-49 may engage in activities that accomplish the economic development
 4-50 purposes of the district.

4-51 (b) The district may establish and provide for the
 4-52 administration of one or more programs to promote state or local
 4-53 economic development and to stimulate business and commercial
 4-54 activity in the district, including programs to:

4-55 (1) make loans and grants of public money; and

4-56 (2) provide district personnel and services.

4-57 (c) The district may create economic development programs
 4-58 and exercise the economic development powers provided to
 4-59 municipalities by:

4-60 (1) Chapter 380, Local Government Code; and

4-61 (2) Subchapter A, Chapter 1509, Government Code.

4-62 Sec. 3973.0311. PARKING FACILITIES. (a) The district may
 4-63 acquire, lease as lessor or lessee, construct, develop, own,
 4-64 operate, and maintain parking facilities or a system of parking
 4-65 facilities, including lots, garages, parking terminals, or other
 4-66 structures or accommodations for parking motor vehicles off the
 4-67 streets and related appurtenances.

4-68 (b) The district's parking facilities serve the public
 4-69 purposes of the district and are owned, used, and held for a public

5-1 purpose even if leased or operated by a private entity for a term of
5-2 years.
5-3 (c) The district's parking facilities are parts of and
5-4 necessary components of a street and are considered to be a street
5-5 or road improvement.
5-6 (d) The development and operation of the district's parking
5-7 facilities may be considered an economic development program.
5-8 Sec. 3973.0312. NO TOLL ROADS. The district may not
5-9 construct, acquire, maintain, or operate a toll road.
5-10 Sec. 3973.0313. RAIL FACILITIES. The district may
5-11 construct, acquire, improve, maintain, and operate rail facilities
5-12 and improvements in aid of those facilities.
5-13 Sec. 3973.0314. RURAL PUBLIC TRANSPORTATION POWERS.
5-14 (a) The district may provide and coordinate rural public
5-15 transportation in its territory in the manner provided by Sections
5-16 458.010 and 458.011, Transportation Code, for a rural transit
5-17 district.
5-18 (b) Section 458.012(a), Transportation Code, does not apply
5-19 to the operations of the district under Subsection (a).
5-20 Sec. 3973.0315. ANNEXATION OR EXCLUSION OF LAND. (a) The
5-21 district may annex land as provided by Subchapter J, Chapter 49,
5-22 Water Code.
5-23 (b) The district may exclude land as provided by Subchapter
5-24 J, Chapter 49, Water Code. Section 375.044(b), Local Government
5-25 Code, does not apply to the district.
5-26 Sec. 3973.0316. DIVISION OF DISTRICT. (a) The district
5-27 may be divided into two or more new districts only if the district:
5-28 (1) has no outstanding bonded debt; and
5-29 (2) is not imposing ad valorem taxes.
5-30 (b) This chapter applies to any new district created by the
5-31 division of the district, and a new district has all the powers and
5-32 duties of the district.
5-33 (c) Any new district created by the division of the district
5-34 may, at the time the new district is created, contain only:
5-35 (1) land within the area described by Section 2 of the
5-36 Act enacting this chapter; or
5-37 (2) any land adjacent to the area described by Section
5-38 2 of the Act enacting this chapter if that adjacent land is:
5-39 (A) not within the extraterritorial jurisdiction
5-40 of a city; or
5-41 (B) within the extraterritorial jurisdiction of
5-42 a city and that adjacent land has been approved for inclusion in the
5-43 district under an ordinance or resolution adopted by the city
5-44 consenting to the inclusion.
5-45 (d) The board, on its own motion or on receipt of a petition
5-46 signed by the owner or owners of a majority of the assessed value of
5-47 the real property in the district, may adopt an order dividing the
5-48 district.
5-49 (e) The board may adopt an order dividing the district
5-50 before or after the date the board holds an election under Section
5-51 3973.0204 to elect the district's permanent directors.
5-52 (f) An order dividing the district must:
5-53 (1) name each new district;
5-54 (2) include the metes and bounds description of the
5-55 territory of each new district;
5-56 (3) appoint temporary directors for each new district;
5-57 and
5-58 (4) provide for the division of assets and liabilities
5-59 between or among the new districts.
5-60 (g) On or before the 30th day after the date of adoption of
5-61 an order dividing the district, the district shall file the order
5-62 with the Texas Commission on Environmental Quality and record the
5-63 order in the real property records of each county in which the
5-64 district is located.
5-65 (h) Any new district created by the division of the district
5-66 shall hold a permanent directors' election as required by Section
5-67 3973.0204.
5-68 (i) Municipal consent by a city is not required for the
5-69 creation of any new district created under this section.

6-1 (j) Any new district created by the division of the district
6-2 must hold an election as required by this chapter to obtain voter
6-3 approval before the district may impose a maintenance tax or issue
6-4 bonds payable wholly or partly from ad valorem taxes or sales and
6-5 use taxes.

6-6 (k) If the voters of a new district do not confirm the
6-7 creation of the new district, the assets, obligations, territory,
6-8 and governance of the new district revert to that of the original
6-9 district.

6-10 Sec. 3973.0317. NO EMINENT DOMAIN POWER. The district may
6-11 not exercise the power of eminent domain.

6-12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

6-13 Sec. 3973.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The
6-14 board by resolution shall establish the number of directors'
6-15 signatures and the procedure required for a disbursement or
6-16 transfer of district money.

6-17 Sec. 3973.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.
6-18 The district may acquire, construct, finance, operate, or maintain
6-19 any improvement or service authorized under this chapter or Chapter
6-20 375, Local Government Code, using any money available to the
6-21 district.

6-22 Sec. 3973.0403. PETITION REQUIRED FOR FINANCING SERVICES
6-23 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance
6-24 a service or improvement project with assessments under this
6-25 chapter unless a written petition requesting that service or
6-26 improvement has been filed with the board.

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

6-31 Sec. 3973.0404. ASSESSMENTS; LIENS FOR ASSESSMENTS.

6-32 (a) The board by resolution may impose and collect an assessment
6-33 for any purpose authorized by this chapter in all or any part of the
6-34 district.

6-35 (b) An assessment, a reassessment, or an assessment
6-36 resulting from an addition to or correction of the assessment roll
6-37 by the district, penalties and interest on an assessment or
6-38 reassessment, an expense of collection, and reasonable attorney's
6-39 fees incurred by the district:

6-40 (1) are a first and prior lien against the property
6-41 assessed;

6-42 (2) are superior to any other lien or claim other than
6-43 a lien or claim for county, school district, or municipal ad valorem
6-44 taxes; and

6-45 (3) are the personal liability of and a charge against
6-46 the owners of the property even if the owners are not named in the
6-47 assessment proceedings.

6-48 (c) The lien is effective from the date of the board's
6-49 resolution imposing the assessment until the date the assessment is
6-50 paid. The board may enforce the lien in the same manner that the
6-51 board may enforce an ad valorem tax lien against real property.

6-52 (d) The board may make a correction to or deletion from the
6-53 assessment roll that does not increase the amount of assessment of
6-54 any parcel of land without providing notice and holding a hearing in
6-55 the manner required for additional assessments.

6-56 Sec. 3973.0405. RESIDENTIAL PROPERTY NOT EXEMPT. Section
6-57 375.161, Local Government Code, does not apply to a tax authorized
6-58 or approved by the voters of the district or a required payment for
6-59 a service provided by the district, including water and sewer
6-60 services.

6-61 Sec. 3973.0406. COMPETITIVE BIDDING. Subchapter I, Chapter
6-62 49, Water Code, applies to the district. Sections 375.221 and
6-63 375.223, Local Government Code, do not apply to the district.

6-64 Sec. 3973.0407. TAX AND ASSESSMENT ABATEMENTS. The
6-65 district may designate reinvestment zones and may grant abatements
6-66 of district taxes or assessments on property in the zones.

6-67 SUBCHAPTER E. TAXES AND BONDS

6-68 Sec. 3973.0501. ELECTIONS REGARDING TAXES AND BONDS.

6-69 (a) The district may issue, without an election, bonds, notes, and

7-1 other obligations secured by:
7-2 (1) revenue other than ad valorem taxes or sales and
7-3 use taxes; or
7-4 (2) contract payments described by Section 3973.0503.
7-5 (b) The district must hold an election in the manner
7-6 provided by Subchapter L, Chapter 375, Local Government Code, to
7-7 obtain voter approval before the district may impose an ad valorem
7-8 tax or issue bonds payable from ad valorem taxes.
7-9 (c) Section 375.243, Local Government Code, does not apply
7-10 to the district.
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. 3973.0502. OPERATION AND MAINTENANCE TAX. (a) If
7-16 authorized by a majority of the district voters voting at an
7-17 election held in accordance with Section 3973.0501, the district
7-18 may impose an operation and maintenance tax on taxable property in
7-19 the district in accordance with Section 49.107, Water Code, for any
7-20 district purpose, including to:
7-21 (1) maintain and operate the district;
7-22 (2) construct or acquire improvements; or
7-23 (3) provide a service.
7-24 (b) The board shall determine the tax rate. The rate may not
7-25 exceed the rate approved at the election.
7-26 (c) Section 49.107(h), Water Code, does not apply to the
7-27 district.
7-28 Sec. 3973.0503. CONTRACT TAXES. (a) In accordance with
7-29 Section 49.108, Water Code, the district may impose a tax other than
7-30 an operation and maintenance tax and use the revenue derived from
7-31 the tax to make payments under a contract after the provisions of
7-32 the contract have been approved by a majority of the district voters
7-33 voting at an election held for that purpose.
7-34 (b) A contract approved by the district voters may contain a
7-35 provision stating that the contract may be modified or amended by
7-36 the board without further voter approval.
7-37 Sec. 3973.0504. AUTHORITY TO BORROW MONEY AND TO ISSUE
7-38 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
7-39 terms determined by the board. Section 375.205, Local Government
7-40 Code, does not apply to a loan, line of credit, or other borrowing
7-41 from a bank or financial institution secured by revenue other than
7-42 ad valorem taxes.
7-43 (b) The district may issue bonds, notes, or other
7-44 obligations payable wholly or partly from ad valorem taxes,
7-45 assessments, impact fees, revenue, contract payments, grants, or
7-46 other district money, or any combination of those sources of money,
7-47 to pay for any authorized district purpose.
7-48 Sec. 3973.0505. TAXES FOR BONDS. At the time the district
7-49 issues bonds payable wholly or partly from ad valorem taxes, the
7-50 board shall provide for the annual imposition of a continuing
7-51 direct annual ad valorem tax, without limit as to rate or amount,
7-52 for each year that all or part of the bonds are outstanding as
7-53 required and in the manner provided by Sections 54.601 and 54.602,
7-54 Water Code.
7-55 Sec. 3973.0506. BONDS FOR ROAD PROJECTS. At the time of
7-56 issuance, the total principal amount of bonds or other obligations
7-57 issued or incurred to finance road projects and payable from ad
7-58 valorem taxes may not exceed one-fourth of the assessed value of the
7-59 real property in the district.
7-60 SUBCHAPTER F. SALES AND USE TAX
7-61 Sec. 3973.0601. APPLICABILITY OF CERTAIN TAX CODE
7-62 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
7-63 computation, administration, enforcement, and collection of the
7-64 sales and use tax authorized by this subchapter except to the extent
7-65 Chapter 321, Tax Code, is inconsistent with this chapter.
7-66 (b) A reference in Chapter 321, Tax Code, to a municipality
7-67 or the governing body of a municipality is a reference to the
7-68 district or the board, respectively.
7-69 Sec. 3973.0602. ELECTION; ADOPTION OF TAX. (a) The

8-1 district may adopt a sales and use tax if authorized by a majority
 8-2 of the voters of the district voting at an election held for that
 8-3 purpose.

8-4 (b) The board by order may call an election to authorize the
 8-5 adoption of the sales and use tax. The election may be held on any
 8-6 uniform election date and in conjunction with any other district
 8-7 election.

8-8 (c) The ballot shall be printed to provide for voting for or
 8-9 against the proposition: "Authorization of a sales and use tax in
 8-10 the Tarkington Management District No. 1 of Liberty County at a
 8-11 rate not to exceed ____ percent" (insert rate of one or more
 8-12 increments of one-eighth of one percent).

8-13 Sec. 3973.0603. SALES AND USE TAX RATE. (a) On or after
 8-14 the date the results are declared of an election held under Section
 8-15 3973.0602, at which the voters approved imposition of the tax
 8-16 authorized by this subchapter, the board shall determine and adopt
 8-17 by resolution or order the initial rate of the tax, which must be in
 8-18 one or more increments of one-eighth of one percent.

8-19 (b) After the election held under Section 3973.0602, the
 8-20 board may increase or decrease the rate of the tax by one or more
 8-21 increments of one-eighth of one percent.

8-22 (c) The initial rate of the tax or any rate resulting from
 8-23 subsequent increases or decreases may not exceed the lesser of:

8-24 (1) the maximum rate authorized by the district voters
 8-25 at the election held under Section 3973.0602; or

8-26 (2) a rate that, when added to the rates of all sales
 8-27 and use taxes imposed by other political subdivisions with
 8-28 territory in the district, would result in the maximum combined
 8-29 rate prescribed by Section 321.101(f), Tax Code, at any location in
 8-30 the district.

8-31 Sec. 3973.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
 8-32 section applies to the district after a municipality annexes part
 8-33 of the territory in the district and imposes the municipality's
 8-34 sales and use tax in the annexed territory.

8-35 (b) If at the time of annexation the district has
 8-36 outstanding debt or other obligations payable wholly or partly from
 8-37 district sales and use tax revenue, Section 321.102(g), Tax Code,
 8-38 applies to the district.

8-39 (c) If at the time of annexation the district does not have
 8-40 outstanding debt or other obligations payable wholly or partly from
 8-41 district sales and use tax revenue, the district may exclude the
 8-42 annexed territory from the district, if the district has no
 8-43 outstanding debt or other obligations payable from any source.

8-44 Sec. 3973.0605. NOTIFICATION OF RATE CHANGE. The board
 8-45 shall notify the comptroller of any changes made to the tax rate
 8-46 under this subchapter in the same manner the municipal secretary
 8-47 provides notice to the comptroller under Section 321.405(b), Tax
 8-48 Code.

8-49 Sec. 3973.0606. USE OF REVENUE. Revenue from the sales and
 8-50 use tax imposed under this subchapter is for the use and benefit of
 8-51 the district and may be used for any district purpose. The district
 8-52 may pledge all or part of the revenue to the payment of bonds,
 8-53 notes, or other obligations, and that pledge of revenue may be in
 8-54 combination with other revenue, including tax revenue, available to
 8-55 the district.

8-56 Sec. 3973.0607. ABOLITION OF TAX. (a) Except as provided
 8-57 by Subsection (b), the board may abolish the tax imposed under this
 8-58 subchapter without an election.

8-59 (b) The board may not abolish the tax imposed under this
 8-60 subchapter if the district has outstanding debt secured by the tax,
 8-61 and repayment of the debt would be impaired by the abolition of the
 8-62 tax.

8-63 (c) If the board abolishes the tax, the board shall notify
 8-64 the comptroller of that action in the same manner the municipal
 8-65 secretary provides notice to the comptroller under Section
 8-66 321.405(b), Tax Code.

8-67 (d) If the board abolishes the tax or decreases the tax rate
 8-68 to zero, a new election to authorize a sales and use tax must be held
 8-69 under Section 3973.0602 before the district may subsequently impose

9-1 the tax.

9-2 SUBCHAPTER G. DEFINED AREAS

9-3 Sec. 3973.0701. AUTHORITY TO ESTABLISH DEFINED AREAS OR
 9-4 DESIGNATED PROPERTY. The district may define areas or designate
 9-5 certain property of the district to pay for improvements,
 9-6 facilities, or services that primarily benefit that area or
 9-7 property and do not generally and directly benefit the district as a
 9-8 whole.

9-9 Sec. 3973.0702. PROCEDURE FOR ELECTION. (a) Before the
 9-10 district may impose an ad valorem tax or issue bonds payable from ad
 9-11 valorem taxes of the defined area or designated property, the board
 9-12 shall hold an election in the defined area or in the designated
 9-13 property only.

9-14 (b) The board may submit the issues to the voters on the same
 9-15 ballot to be used in another election.

9-16 Sec. 3973.0703. DECLARING RESULT AND ISSUING ORDER.

9-17 (a) If a majority of the voters voting at the election approve the
 9-18 proposition or propositions, the board shall declare the results
 9-19 and, by order, shall establish the defined area and describe it by
 9-20 metes and bounds or designate the specific property.

9-21 (b) A court may not review the board's order except on the
 9-22 ground of fraud, palpable error, or arbitrary and confiscatory
 9-23 abuse of discretion.

9-24 Sec. 3973.0704. TAXES FOR SERVICES, IMPROVEMENTS, AND
 9-25 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
 9-26 approval and adoption of the order described by Section 3973.0703,
 9-27 the district may apply separately, differently, equitably, and
 9-28 specifically its taxing power and lien authority to the defined
 9-29 area or designated property to provide money to construct,
 9-30 administer, maintain, and operate services, improvements, and
 9-31 facilities that primarily benefit the defined area or designated
 9-32 property.

9-33 Sec. 3973.0705. ISSUANCE OF BONDS FOR DEFINED AREA OR
 9-34 DESIGNATED PROPERTY. After the order under Section 3973.0703 is
 9-35 adopted, the district may issue bonds to provide for any land,
 9-36 improvements, facilities, plants, equipment, and appliances for
 9-37 the defined area or designated property.

9-38 Sec. 3973.0706. ADDITION OR EXCLUSION OF LAND IN DEFINED
 9-39 AREA. The district may add or exclude land from the defined areas
 9-40 in the same manner the district may add or exclude land from the
 9-41 district.

9-42 SECTION 2. The Tarkington Management District No. 1 of
 9-43 Liberty County initially includes all territory contained in the
 9-44 following area:

9-45 807.65 acres of land, situated in the Hugh Means Survey, Abstract
 9-46 78, Liberty County, Texas, and being a part of that certain 1846.69
 9-47 acre tract described in a Deed from Southland Timberlands V, L.P. to
 9-48 Tarkington Realty, Ltd., recorded in Liberty County Clerk's File
 9-49 2006008680, said 807.65 acres being more particularly described as
 9-50 follows:

9-51 BEGINNING at a 3 inch by 3 inch concrete monument stamped "Kirby NWc
 9-52 Hugh Means" found for the Northwest corner of the herein described
 9-53 tract at the Northwest corner of the Hugh Means Survey, Abstract 78,
 9-54 and the Northwest corner of said 1846.69 acre tract;

9-55 THENCE North 88 deg. 01 min. 32 sec. East, along the North line of
 9-56 the Means Survey, being the North line of said 1846.69 acre tract, a
 9-57 distance of 33.30 feet to a 6 inch by 6 inch concrete monument found
 9-58 at the Southwest corner of the I. L. Hanson Survey, Abstract 282;

9-59 THENCE North 87 deg. 28 min. 03 sec. East, along the common line of
 9-60 the Means Survey and the Hanson Survey, being the North line of said
 9-61 1846.69 acre tract and the South line of the Alvin David Stetson
 9-62 tract recorded in Clerk's File 2015023380, a distance of 3442.50
 9-63 feet to a concrete monument stamped "Kirby 3-166" found at the
 9-64 Southeast corner of the Hanson Survey and the Southwest corner of
 9-65 the John R. Faulk Survey, Abstract 34;

9-66 THENCE North 86 deg. 55 min. 34 sec. East, along the common lines of
 9-67 the Means Survey and the Faulk Survey, being the North line of said
 9-68 1846.69 acre tract and the South line of the Jorge Lopez tract
 9-69 described in Clerk's File 2007014457, a distance of 1787.22 feet to

10-1 a 3/4 inch iron rod found for the Northeast corner of the herein
 10-2 described tract at the Northeast corner of said 1846.69 acre tract,
 10-3 said point being in the West right of way line of State Highway 321
 10-4 (100.0 feet wide at this point);
 10-5 THENCE South 22 deg. 01 min. 29 sec. East, along the West
 10-6 right-of-way line of State Highway 321 and the East line of said
 10-7 1846.69 acre tract, a distance of 2084.38 feet to a concrete
 10-8 monument found at the P.C. of a curve to the left;
 10-9 THENCE along the West right-of-way line of State Highway 321
 10-10 (right-of-way varies) and the East line of said 1846.69 acre tract,
 10-11 following said curve to the left having a Radius of 5779.59 feet,
 10-12 Central Angle of a 01 deg. 35 min. 23 sec., Chord Bearing and
 10-13 Distance of South 22 deg. 51 min. 20 sec. East - 160.35 feet, for an
 10-14 arc distance of 160.36 feet to a concrete monument found at the P.T.
 10-15 of said curve;
 10-16 THENCE South 18 deg. 29 min. East, along the West right-of-way line
 10-17 of State Highway 321 and the East line of said 1846.69 acre tract, a
 10-18 distance of 101.28 feet to a concrete monument found at the P.C. of
 10-19 a curve left;
 10-20 THENCE along the West right-of-way line of State Highway 21
 10-21 (right-of-way varies) and the East line of said 1846.69 acre tract,
 10-22 following said curve to the left having a Radius of 5789.59 feet,
 10-23 Central Angle of 10 deg. 49 min. 44 sec., Chord Bearing and a
 10-24 Distance of South 30 deg. 03 min. 47 sec. East - 1092.60 feet, for an
 10-25 arc distance of 1094.23 feet to a concrete monument found at the
 10-26 P.T. of said curve;
 10-27 THENCE South 35 deg. 28 min. 53 sec. East, along the West
 10-28 right-of-way line of State Highway 321 (right-of-way 110.0 feet
 10-29 wide at this point) and the East line of said 1846.69 acre tract, a
 10-30 distance of 2708.35 feet to a 1/2 inch iron rod found for the
 10-31 Southeast corner of the herein described tract at the upper
 10-32 Southeast corner of said 1846.69 acre tract, the Northeast corner
 10-33 of a 6.87 acre Save and Except Tract described in the a deed to
 10-34 Southland Timberlands V, L.P. recorded in Clerk's File 2003009246;
 10-35 THENCE South 87 deg. 23 min. 32 sec. West, along the North line of
 10-36 said 6.87 acre Save and Except Tract, a distance of 3334.49 feet to
 10-37 a fence post found at the Northwest corner of said 6.87 acre tract
 10-38 and the upper Northeast corner of a 638.36 acre tract described in a
 10-39 deed to Roli Holdings, L.P. recorded in Clerk's File 2013010569;
 10-40 THENCE South 87 deg. 23 min. 05 sec. West, along the North line of
 10-41 said 638.36 acre tract, at 4683.36 feet pass a 5/8 inch iron rod
 10-42 capped "RPLS 5815" found, and continue for a total distance of
 10-43 4684.17 feet to a point marking the Southwest corner of the herein
 10-44 described tract at the Northwest corner of said 638.36 acre tract,
 10-45 said point being in the West line of the Means Survey, the East line
 10-46 of the H.& T.C. R.R. Company Survey No. 150, Abstract 833, the West
 10-47 line of said 1846.69 acre tract, and the East line of the Joseph H.
 10-48 Ceaser, Jr. tract describe in Clerk's File 2007008678;
 10-49 THENCE North 03 deg. 40 min. 53 sec. West, along the common line of
 10-50 the Means Survey and the H.&T.C. R.R. Company Survey No. 150, being
 10-51 the West line of said 1846.69 acre tract and the East line of the
 10-52 Ceaser tract, a distance of 1305.65 feet to a 3 inch by 3 inch
 10-53 concrete monument stamped "Kirby SEc H&TC WL H Means" found at the
 10-54 Northeast corner of the H.&T.C. R.R. Company Survey No. 150, the
 10-55 Southeast corner of the H.& T.C. R.R. Company Survey No. 149,
 10-56 Abstract 232, the Northeast corner of the Ceaser tract, and the
 10-57 Southeast corner of the William B. Krizak tract described in
 10-58 Clerk's File 2009017836;
 10-59 THENCE North 02 deg. 11 min. 16 sec. West, along the common line of
 10-60 the Means Survey and the H.&T.C. R.R. Company Survey No. 149, being
 10-61 the West line of said 1846.69 acre tract and the East line of the
 10-62 Krizak tract, the Heriberto Cisneros tract described in Clerk's
 10-63 File 2009009858, The Heriberto Cisneros tract described in Clerk's
 10-64 File 2017006032, and the Johnnie Hooper tract described in Clerk's
 10-65 File 2016002265, at 2138.84 feet pass a 1/2 inch iron rod found at
 10-66 the Northeast corner of the Hooper tract and the Southeast corner of
 10-67 a tract described in Clerk's File 2018001388, and continue along
 10-68 the East line of said tract and tracts described in Clerk's File
 10-69 2014013993, Clerk's File 2013003296, Clerk's File 2013010371,

11-1 Clerk's File 2012002326; Clerk's File 2016007673; Clerk's File
11-2 2015007509; Clerk's File 2012012985; Clerk's File 2009007977, and
11-3 Clerk's File 2010011389 for a total distance of 4143.56 feet to the
11-4 PLACE OF BEGINNING and containing 807.65 acres of land.

11-5 SECTION 3. (a) The legal notice of the intention to
11-6 introduce this Act, setting forth the general substance of this
11-7 Act, has been published as provided by law, and the notice and a
11-8 copy of this Act have been furnished to all persons, agencies,
11-9 officials, or entities to which they are required to be furnished
11-10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11-11 Government Code.

11-12 (b) The governor, one of the required recipients, has
11-13 submitted the notice and Act to the Texas Commission on
11-14 Environmental Quality.

11-15 (c) The Texas Commission on Environmental Quality has filed
11-16 its recommendations relating to this Act with the governor,
11-17 lieutenant governor, and speaker of the house of representatives
11-18 within the required time.

11-19 (d) The general law relating to consent by political
11-20 subdivisions to the creation of districts with conservation,
11-21 reclamation, and road powers and the inclusion of land in those
11-22 districts has been complied with.

11-23 (e) All requirements of the constitution and laws of this
11-24 state and the rules and procedures of the legislature with respect
11-25 to the notice, introduction, and passage of this Act have been
11-26 fulfilled and accomplished.

11-27 SECTION 4. This Act takes effect immediately if it receives
11-28 a vote of two-thirds of all the members elected to each house, as
11-29 provided by Section 39, Article III, Texas Constitution. If this
11-30 Act does not receive the vote necessary for immediate effect, this
11-31 Act takes effect September 1, 2019.

11-32

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