

1 AN ACT

2 relating to the creation of the Brazoria County Management District
3 No. 1; providing authority to issue bonds; providing authority to
4 impose assessments, fees, and taxes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws
7 Code, is amended by adding Chapter 3944 to read as follows:

8 CHAPTER 3944. BRAZORIA COUNTY MANAGEMENT DISTRICT NO. 1

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3944.001. DEFINITIONS. In this chapter:

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

12 (2) "County" means Brazoria County.

13 (3) "Director" means a board member.

14 (4) "District" means the Brazoria County Management
15 District No. 1.

16 Sec. 3944.002. CREATION AND NATURE OF DISTRICT; IMMUNITY.

17 (a) The district is a special district created under Section 59,
18 Article XVI, Texas Constitution.

19 (b) The district is a governmental unit, as provided by
20 Section 375.004, Local Government Code.

21 (c) This chapter does not waive any governmental or
22 sovereign immunity from suit, liability, or judgment that would
23 otherwise apply to the district.

24 Sec. 3944.003. CONFIRMATION AND DIRECTORS' ELECTION

1 REQUIRED. The temporary directors shall hold an election to
2 confirm the creation of the district and to elect five permanent
3 directors as provided by Section 49.102, Water Code.

4 Sec. 3944.004. CONSENT OF MUNICIPALITY REQUIRED. The
5 temporary directors may not hold an election under Section 3944.003
6 until each municipality in whose corporate limits or
7 extraterritorial jurisdiction the district is located has
8 consented by ordinance or resolution to the creation of the
9 district and to the inclusion of land in the district.

10 Sec. 3944.005. PURPOSE; DECLARATION OF INTENT. (a) The
11 creation of the district is essential to accomplish the purposes of
12 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
13 Texas Constitution, and other public purposes stated in this
14 chapter. By creating the district, the legislature has established
15 a program to accomplish the public purposes set out in Sections 52
16 and 52-a, Article III, Texas Constitution.

17 (b) The creation of the district is necessary to promote,
18 develop, encourage, and maintain employment, commerce,
19 transportation, housing, tourism, recreation, the arts,
20 entertainment, economic development, safety, and the public
21 welfare in the district.

22 (c) This chapter and the creation of the district may not be
23 interpreted to relieve a municipality or the county from providing
24 the level of services provided as of the effective date of the Act
25 enacting this chapter to the area in the district. The district is
26 created to supplement and not to supplant governmental services
27 provided in the district.

Sec. 3944.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

The district is created to serve a public use and benefit.

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

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

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

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

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

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, road facilities, transit facilities, parking facilities, enhanced infrastructure, recreational facilities, public art objects, water and wastewater facilities, and drainage facilities, and by landscaping and developing certain areas in the district, which are necessary for

1 the restoration, preservation, and enhancement of scenic beauty.

2 (e) Pedestrian ways along or across a street, whether at
3 grade or above or below the surface, and street lighting, street
4 landscaping, parking, and street art objects are parts of and
5 necessary components of a street and are considered to be a street
6 or road improvement.

7 (f) The district will not act as the agent or
8 instrumentality of any private interest even though the district
9 will benefit many private interests as well as the public.

10 Sec. 3944.007. DISTRICT TERRITORY. (a) The district is
11 initially composed of the territory described by Section 2 of the
12 Act enacting this chapter.

13 (b) The boundaries and field notes of the district contained
14 in Section 2 of the Act enacting this chapter form a closure. A
15 mistake in the field notes or in copying the field notes in the
16 legislative process does not affect the district's:

17 (1) organization, existence, or validity;

18 (2) right to issue any type of bonds, notes, or other
19 obligations for a purpose for which the district is created or to
20 pay the principal of and interest on the bonds, notes, or other
21 obligations;

22 (3) right to impose or collect an assessment or tax; or

23 (4) legality or operation.

24 Sec. 3944.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
25 All or any part of the area of the district is eligible to be
26 included in:

27 (1) a tax increment reinvestment zone created under

1 Chapter 311, Tax Code;

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

4 (3) an enterprise zone created under Chapter 2303,
5 Government Code; or

6 (4) an industrial district created under Chapter 42,
7 Local Government Code.

8 Sec. 3944.009. APPLICABILITY OF MUNICIPAL MANAGEMENT
9 DISTRICTS LAW. Except as otherwise provided by this chapter,
10 Chapter 375, Local Government Code, applies to the district.

11 Sec. 3944.010. LIBERAL CONSTRUCTION OF CHAPTER. This
12 chapter shall be liberally construed in conformity with the
13 findings and purposes stated in this chapter.

14 Sec. 3944.011. CONFLICTS OF LAW. This chapter prevails
15 over any provision of general law, including a provision of Chapter
16 375, Local Government Code, or Chapter 49, Water Code, that is in
17 conflict or inconsistent with this chapter.

18 SUBCHAPTER B. BOARD OF DIRECTORS

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

22 (b) Except as provided by Section 3944.053, directors serve
23 staggered four-year terms.

24 Sec. 3944.052. COMPENSATION. A director is entitled to
25 receive fees of office and reimbursement for actual expenses as
26 provided by Section 49.060, Water Code. Sections 375.069 and
27 375.070, Local Government Code, do not apply to the board.

1 Sec. 3944.053. TEMPORARY DIRECTORS. (a) On or after the
2 effective date of the Act creating this chapter, the owner or owners
3 of a majority of the assessed value of the real property in the
4 district according to the most recent certified tax appraisal roll
5 for the county may submit a petition to the commission requesting
6 that the commission appoint as temporary directors the five persons
7 named in the petition. The commission shall appoint as temporary
8 directors the five persons named in the petition.

9 (b) Temporary directors serve until the earlier of:

10 (1) the date permanent directors are elected under
11 Section 3944.003; or

12 (2) the fourth anniversary of the effective date of
13 the Act creating this chapter.

14 (c) If permanent directors have not been elected under
15 Section 3944.003 and the terms of the temporary directors have
16 expired, successor temporary directors shall be appointed or
17 reappointed as provided by Subsection (d) to serve terms that
18 expire on the earlier of:

19 (1) the date permanent directors are elected under
20 Section 3944.003; or

21 (2) the fourth anniversary of the date of the
22 appointment or reappointment.

23 (d) If Subsection (c) applies, the owner or owners of a
24 majority of the assessed value of the real property in the district
25 according to the most recent certified tax appraisal roll for the
26 county may submit a petition to the commission requesting that the
27 commission appoint as successor temporary directors the five

1 persons named in the petition. The commission shall appoint as
2 successor temporary directors the five persons named in the
3 petition.

4 Sec. 3944.054. DISQUALIFICATION OF DIRECTORS. Section
5 49.052, Water Code, applies to the members of the board.

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 3944.101. GENERAL POWERS AND DUTIES. The district has
8 the powers and duties necessary to accomplish the purposes for
9 which the district is created.

10 Sec. 3944.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
11 district may provide, design, construct, acquire, improve,
12 relocate, operate, maintain, or finance an improvement project or
13 service using money available to the district, or contract with a
14 governmental or private entity to provide, design, construct,
15 acquire, improve, relocate, operate, maintain, or finance an
16 improvement project or service authorized under this chapter or
17 under Chapter 375, Local Government Code.

18 (b) An improvement project described by Subsection (a) may
19 be located inside or outside the district.

20 Sec. 3944.103. RECREATIONAL FACILITIES. The district may
21 develop or finance recreational facilities as authorized by Chapter
22 375, Local Government Code, Sections 52 and 52-a, Article III,
23 Texas Constitution, Section 59, Article XVI, Texas Constitution,
24 and any other law that applies to the district.

25 Sec. 3944.104. AUTHORITY FOR ROAD PROJECTS. Under Section
26 52, Article III, Texas Constitution, the district may own, operate,
27 maintain, design, acquire, construct, finance, issue bonds, notes,

1 or other obligations for, improve, and convey to this state, a
2 county, or a municipality for ownership, operation, and maintenance
3 macadamized, graveled, or paved roads or improvements, including
4 storm drainage, in aid of those roads.

5 Sec. 3944.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

6 (a) The district may convey a road project authorized by Section
7 3944.104 to:

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

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

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

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

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

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

5 (b) The nonprofit corporation:

6 (1) has each power of and is considered to be a local
7 government corporation created under Subchapter D, Chapter 431,
8 Transportation Code; and

9 (2) may implement any project and provide any service
10 authorized by this chapter.

11 (c) The board shall appoint the board of directors of the
12 nonprofit corporation. The board of directors of the nonprofit
13 corporation shall serve in the same manner as the board of directors
14 of a local government corporation created under Subchapter D,
15 Chapter 431, Transportation Code, except that a board member is not
16 required to reside in the district.

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

20 (b) The implementation of a project is a governmental
21 function or service for the purposes of Chapter 791, Government
22 Code.

23 Sec. 3944.109. LAW ENFORCEMENT SERVICES. Section 49.216,
24 Water Code, applies to the district.

25 Sec. 3944.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
26 district may join and pay dues to a charitable or nonprofit
27 organization that performs a service or provides an activity

1 consistent with the furtherance of a district purpose.

2 Sec. 3944.111. ECONOMIC DEVELOPMENT. (a) The district may
3 engage in activities that accomplish the economic development
4 purposes of the district.

5 (b) The district may establish and provide for the
6 administration of one or more programs to promote state or local
7 economic development and to stimulate business and commercial
8 activity in the district, including programs to:

9 (1) make loans and grants of public money; and

10 (2) provide district personnel and services.

11 (c) The district may create economic development programs
12 and exercise the economic development powers that:

13 (1) Chapter 380, Local Government Code, provides to a
14 municipality; and

15 (2) Subchapter A, Chapter 1509, Government Code,
16 provides to a municipality.

17 Sec. 3944.112. STRATEGIC PARTNERSHIP AGREEMENT. The
18 district may negotiate and enter into a written strategic
19 partnership agreement with a municipality under Section 43.0751,
20 Local Government Code.

21 Sec. 3944.113. REGIONAL PARTICIPATION AGREEMENT. The
22 district may negotiate and enter into a written regional
23 participation agreement with a municipality under Section 43.0754,
24 Local Government Code.

25 Sec. 3944.114. ANNEXATION OR EXCLUSION OF LAND. (a) The
26 district may annex land as provided by Subchapter J, Chapter 49,
27 Water Code.

1 (b) The district may exclude land as provided by Subchapter
2 J, Chapter 49, Water Code. Section 375.044(b), Local Government
3 Code, does not apply to the district.

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

8 (d) If the district adopts a sales and use tax authorized at
9 an election held under Section 3944.202 and subsequently includes
10 new territory in the district under this section, the district:

11 (1) is not required to hold another election to
12 approve the imposition of the sales and use tax in the included
13 territory; and

14 (2) shall impose the sales and use tax in the included
15 territory as provided by Chapter 321, Tax Code.

16 (e) If the district adopts a sales and use tax authorized at
17 an election held under Section 3944.202 and subsequently excludes
18 territory in the district under this section, the sales and use tax
19 is inapplicable to the excluded territory, as provided by Chapter
20 321, Tax Code, but is applicable to the territory remaining in the
21 district.

22 Sec. 3944.115. APPLICABILITY OF OTHER LAW TO CERTAIN
23 CONTRACTS. (a) Subchapter I, Chapter 49, Water Code, applies to a
24 district contract for construction work, equipment, materials, or
25 machinery. Notwithstanding Section 2269.003(a), Government Code,
26 the district may use a project delivery method described by
27 Subchapter I, Chapter 49, Water Code, or Subchapters A-G, I, and J,

1 Chapter 2269, Government Code.

2 (b) Notwithstanding Subsection (a), the board may adopt
3 rules governing the receipt of bids and the award of a district
4 contract and providing for the waiver of the competitive bid
5 process if:

6 (1) there is an emergency;

7 (2) the needed materials are available only from one
8 source;

9 (3) in a procurement requiring design by the supplier
10 competitive bidding would not be appropriate and competitive
11 negotiation, with proposals solicited from an adequate number of
12 qualified sources, would permit reasonable competition consistent
13 with the nature and requirements of the procurement; or

14 (4) after solicitation, it is ascertained that there
15 will be only one bidder.

16 (c) Section 375.223, Local Government Code, does not apply
17 to the district.

18 Sec. 3944.116. TERMS OF EMPLOYMENT; COMPENSATION. The
19 board may employ and establish the terms of employment and
20 compensation of an executive director or general manager and any
21 other district employees the board considers necessary.

22 Sec. 3944.117. PARKING FACILITIES. (a) The district may
23 acquire, lease as lessor or lessee, construct, develop, own,
24 operate, and maintain parking facilities or a system of parking
25 facilities, including lots, garages, parking terminals, or other
26 structures or accommodations for parking motor vehicles off the
27 streets and related appurtenances.

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

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

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

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

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

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

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

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

27 (b) The petition must be signed by the owners of a majority

1 of the assessed value of real property in the district subject to
2 assessment according to the most recent certified tax appraisal
3 roll for the county.

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

8 Sec. 3944.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
9 The board by resolution may impose and collect an assessment for any
10 purpose authorized by this chapter in all or any part of the
11 district without regard to whether that area is already subject to
12 or overlaps with an area of the district that is subject to a prior
13 assessment imposed by the board.

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

19 (1) a first and prior lien against the property
20 assessed;

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

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

27 (c) The lien is effective from the date of the board's

1 resolution imposing the assessment until the date the assessment is
2 paid. The board may enforce the lien in the same manner that the
3 board may enforce an ad valorem tax lien against real property.

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

8 Sec. 3944.156. TAX AND ASSESSMENT ABATEMENTS. The district
9 may designate reinvestment zones and may grant abatements of a tax
10 or assessment on property in the zones.

11 Sec. 3944.157. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS.
12 The district may not impose an assessment on the property,
13 including the equipment, rights-of-way, facilities, or
14 improvements, of:

15 (1) an electric utility or a power generation company
16 as defined by Section 31.002, Utilities Code;

17 (2) a gas utility as defined by Section 101.003 or
18 121.001, Utilities Code;

19 (3) a telecommunications provider as defined by
20 Section 51.002, Utilities Code; or

21 (4) a person who provides to the public cable
22 television or advanced telecommunications services.

23 Sec. 3944.158. RESIDENTIAL PROPERTY. Section 375.161,
24 Local Government Code, does not apply to:

25 (1) a tax imposed by the district; or

26 (2) a required payment for a service provided by the
27 district, including water and sewer service.

1 Sec. 3944.159. OPERATION AND MAINTENANCE TAX. (a) If
2 authorized at an election held under Section 3944.163, the district
3 may impose an annual operation and maintenance tax on taxable
4 property in the district in accordance with Section 49.107, Water
5 Code, for any district purpose, including to:

- 6 (1) operate and maintain the district;
7 (2) construct or acquire improvements; or
8 (3) provide a service.

9 (b) The board shall determine the tax rate. The rate may not
10 exceed the rate approved at the election.

11 (c) Section 49.107(h), Water Code, does not apply to the
12 district.

13 Sec. 3944.160. CONTRACT TAXES. In accordance with Section
14 49.108, Water Code, the district may impose a tax other than an
15 operation and maintenance tax and use the revenue derived from the
16 tax to make payments under a contract after the provisions of the
17 contract have been approved by a majority of the district voters
18 voting at an election held for that purpose.

19 Sec. 3944.161. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
20 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
21 determined by the board.

22 (b) The district may by competitive bid or negotiated sale
23 issue bonds, notes, or other obligations payable wholly or partly
24 from taxes, including ad valorem taxes, or assessments, fees,
25 revenue, contract payments, grants, or other district money, or any
26 combination of those sources of money, to pay for any authorized
27 district purpose.

1 (c) In addition to any other terms authorized by the board
2 by bond order or resolution, the proceeds of the district's bonds
3 may be used for a reserve fund, credit enhancement, or capitalized
4 interest for the bonds.

5 (d) The limitation on the outstanding principal amount of
6 bonds, notes, and other obligations provided by Section 49.4645,
7 Water Code, does not apply to the district.

8 Sec. 3944.162. TAXES FOR BONDS. At the time the district
9 issues bonds payable wholly or partly from ad valorem taxes, the
10 board shall provide for the annual imposition of a continuing
11 direct ad valorem tax, without limit as to rate or amount, while all
12 or part of the bonds are outstanding as required and in the manner
13 provided by Sections 54.601 and 54.602, Water Code.

14 Sec. 3944.163. ELECTIONS REGARDING TAXES AND BONDS. (a)
15 The district may issue, without an election, bonds, notes, and
16 other obligations secured by:

17 (1) revenue other than ad valorem taxes; or

18 (2) contract payments described by Section 3944.160.

19 (b) The district must hold an election in the manner
20 provided by Subchapter L, Chapter 375, Local Government Code, to
21 obtain voter approval before the district may impose an ad valorem
22 tax or sales and use tax or issue bonds payable from ad valorem
23 taxes.

24 (c) Section 375.243, Local Government Code, does not apply
25 to the district.

26 (d) All or any part of any facilities or improvements that
27 may be acquired by a district through the issuance of district bonds

1 may be included in one single proposition to be voted on at the
2 election or the bonds may be submitted in several propositions.

3 Sec. 3944.164. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
4 OBLIGATIONS. Except as provided by Section 375.263, Local
5 Government Code, a municipality is not required to pay a bond, note,
6 or other obligation of the district.

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

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

12 (2) the district did not have gross receipts from
13 operations, loans, taxes, assessments, or contributions in excess
14 of \$250,000 during the fiscal period; and

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

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

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

SUBCHAPTER E. SALES AND USE TAX

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

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

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

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

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

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

1 (b) After the election held under Section 3944.202, the
2 board may increase or decrease the rate of the tax by one or more
3 increments of one-eighth of one percent.

4 (c) The initial rate of the tax or any rate resulting from
5 subsequent increases or decreases may not exceed the lesser of:

6 (1) the maximum rate authorized by the district voters
7 at the election held under Section 3944.202; or

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

13 Sec. 3944.204. TAX AFTER MUNICIPAL ANNEXATION. (a) This
14 section applies to the district after a municipality annexes part
15 of the territory in the district and imposes the municipality's
16 sales and use tax in the annexed territory.

17 (b) If at the time of annexation the district has
18 outstanding debt or other obligations payable wholly or partly from
19 district sales and use tax revenue, Section 321.102(g), Tax Code,
20 applies to the district.

21 (c) If at the time of annexation the district does not have
22 outstanding debt or other obligations payable wholly or partly from
23 district sales and use tax revenue, the district may:

24 (1) exclude the annexed territory from the district,
25 if the district has no outstanding debt or other obligations
26 payable from any source; or

27 (2) reduce the sales and use tax in the annexed

1 territory by resolution or order of the board to a rate that, when
2 added to the sales and use tax rate imposed by the municipality in
3 the annexed territory, is equal to the sales and use tax rate
4 imposed by the district in the district territory that was not
5 annexed by the municipality.

6 Sec. 3944.205. NOTIFICATION OF RATE CHANGE. The board
7 shall notify the comptroller of any changes made to the tax rate
8 under this subchapter in the same manner the municipal secretary
9 provides notice to the comptroller under Section 321.405(b), Tax
10 Code.

11 Sec. 3944.206. USE OF REVENUE. Revenue from the sales and
12 use tax imposed under this subchapter is for the use and benefit of
13 the district and may be used for any district purpose. The district
14 may pledge all or part of the revenue to the payment of bonds,
15 notes, or other obligations, and that pledge of revenue may be in
16 combination with other revenue, including tax revenue, available to
17 the district.

18 Sec. 3944.207. ABOLITION OF TAX. (a) Except as provided by
19 Subsection (b), the board may abolish the tax imposed under this
20 subchapter without an election.

21 (b) The board may not abolish the tax imposed under this
22 subchapter if the district has outstanding debt secured by the tax,
23 and repayment of the debt would be impaired by the abolition of the
24 tax.

25 (c) If the board abolishes the tax, the board shall notify
26 the comptroller of that action in the same manner the municipal
27 secretary provides notice to the comptroller under Section

1 321.405(b), Tax Code.

2 (d) If the board abolishes the tax or decreases the tax rate
3 to zero, a new election to authorize a sales and use tax must be held
4 under Section 3944.202 before the district may subsequently impose
5 the tax.

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

8 SUBCHAPTER F. HOTEL OCCUPANCY TAX

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

11 Sec. 3944.252. APPLICABILITY OF CERTAIN TAX CODE
12 PROVISIONS. (a) For purposes of this subchapter:

13 (1) a reference in Subchapter A, Chapter 352, Tax
14 Code, to a county is a reference to the district; and

15 (2) a reference in Subchapter A, Chapter 352, Tax
16 Code, to the commissioners court is a reference to the board.

17 (b) Except as inconsistent with this subchapter, Subchapter
18 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
19 by this subchapter, including the collection of the tax, subject to
20 the limitations prescribed by Sections 352.002(b) and (c), Tax
21 Code.

22 Sec. 3944.253. TAX AUTHORIZED; USE OF REVENUE. The
23 district may impose a hotel occupancy tax for any purpose described
24 by Section 351.101 or 352.101, Tax Code.

25 Sec. 3944.254. TAX RATE. (a) The amount of the hotel
26 occupancy tax may not exceed the lesser of:

27 (1) the maximum rate prescribed by Section 352.003(a),

1 Tax Code; or

2 (2) a rate that, when added to the rates of all hotel
3 occupancy taxes imposed by other political subdivisions with
4 territory in the district and by this state, does not exceed the sum
5 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
6 percent.

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

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

13 Sec. 3944.256. USE OF REVENUE. The district may use revenue
14 from the hotel occupancy tax for any district purpose that is an
15 authorized use of hotel occupancy tax revenue under Chapter 351 or
16 352, Tax Code. The district may pledge all or part of the revenue to
17 the payment of bonds, notes, or other obligations and that pledge of
18 revenue may be in combination with other revenue available to the
19 district.

20 Sec. 3944.257. ABOLITION OF TAX. (a) Except as provided by
21 Subsection (b), the board may abolish the tax imposed under this
22 subchapter.

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

1 SUBCHAPTER G. DISSOLUTION BY BOARD

2 Sec. 3944.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
3 DEBT. (a) The board may dissolve the district regardless of
4 whether the district has debt. Section 375.264, Local Government
5 Code, does not apply to the district.

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

10 SECTION 2. The Brazoria County Management District No. 1
11 initially includes all the territory contained in the following
12 area:

13 A METES & BOUNDS description of a certain 745.8 acre tract of
14 land situated in the H.T.&B.R.R. Company Survey, Abstract No. 251,
15 the A. A. Talmage Survey, Abstract No. 554, the A. A. Talmage
16 Survey, Abstract No. 553 and the James L Holmes Heirs Survey,
17 Abstract No. 610, all in Brazoria County, Texas and being out of a
18 called 2856.555 acre tract of land (Tract 1) conveyed to Dee S.
19 Osborne by the deed recorded in Volume 1159, Page 715 of the
20 Brazoria County Deed Records, a called 98.2535 acre tract of land
21 conveyed to Southeast Properties, Ltd by the deed recorded in
22 Clerk's File No. 92-33050 of the Brazoria County Official Public
23 Records and a called 109.232 acre tract of land conveyed to
24 Southeast Properties, LTD recorded in Volume 1221, Page 362 of the
25 Brazoria County Deed Records; said 745.8 acre tract being more
26 particularly described as follows with all bearings being based on
27 the Texas Coordinate System, South Central Zone, NAD 83;

1 COMMENCING at a found concrete monument at the northeast
2 corner of said 98.2535 acres also being in the southerly
3 right-of-way line of FM 1462;

4 THENCE, South 86°56'14" West, along the northerly line of said
5 98.2535 and 2856.555 acre tracts, common with the southerly
6 right-of-way line of said FM 1462, a distance of 1005.62 feet to a
7 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
8 corner") for the POINT OF BEGINNING of the herein described tract;

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

11 1) South 33°31'32" East, a distance of 2191.74 feet to
12 a point for corner;

13 2) South 32°16'42" East, a distance of 473.37 feet to a
14 point for corner;

15 3) South 33°50'21" East, a distance of 1651.19 feet to
16 a point for corner;

17 4) South 34°22'34" East, a distance of 700.44 feet to a
18 point for corner;

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

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

23 7) South 67°16'53" East, a distance of 1365.55 feet to
24 the beginning of a non-tangent curve to the left;

25 THENCE, continuing over and across said 2856.555 acres and
26 along the arc of said non-tangent curve to the left having a radius
27 of 5280.00 feet, a central angle of 21°24'05", an arc length of

1 1972.22 feet, and a long chord bearing South 51°53'34" East, 1960.78
2 feet to a point at the beginning of a compound curve to the left;

3 THENCE, continuing over and across said 2856.555 acres and
4 along the arc of said compound curve to the left having a radius of
5 5280.00 feet, a central angle of 07°33'42", an arc length of 696.84
6 feet, and a long chord bearing South 48°41'21" East, 696.33 feet to a
7 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
8 corner") in the southeasterly line of said 2856.555 acre tract,
9 common with the northwesterly line of a called 110.21 acre tract of
10 land conveyed to Patrick D. Moller and wife, Suzanne Moller by the
11 deed recorded in Clerk's File No. 96-005947 of the Brazoria County
12 Official Public Records;

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

20 THENCE over and across said 2856.555 and 109.232 acre tracts
21 the following six (6) bearings and distances;

22 1) North 67°38'45" West, a distance of 2391.22 feet to
23 a point for corner;

24 2) North 67°31'02" West, a distance of 2641.65 feet to
25 a point for corner;

26 3) North 33°08'38" West, a distance of 825.02 feet to a
27 point for corner;

1 4) North 37°02'29" West, a distance of 125.27 feet to a
2 point for corner;

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

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

7 THENCE, North 33°07'56" West, continuing over and across said
8 2856.55 and 109.232 acre tracts, a distance of 1574.72 feet to a set
9 3/4-inch iron rod (with cap stamped "Jones|Carter property corner")
10 in a northerly line of said 2856.555 acre tract, common with the
11 southerly line of a called 80.74 acre tract of land (Tract 2)
12 conveyed to South Associates by the deed recorded in Volume 1420,
13 Page 710 of the Brazoria County Deed Records;

14 THENCE, North 86°55'53" East, along said common line, 256.28
15 feet to the southeast corner of said 80.74 acre tract also being in
16 the westerly line of the aforementioned 109.232 acre tract;

17 THENCE, North 02°27'26" West, along the westerly line of said
18 109.232 acre tract, common with the easterly line of said 80.74 acre
19 tract, a distance of 2584.43 feet to a set 3/4-inch iron rod (with
20 cap stamped "Jones|Carter property corner") at the northwest corner
21 of said 109.232 acre tract also being in the southerly right-of-way
22 line of said FM 1462;

23 THENCE, North 87°01'47" East, along the northerly line of said
24 109.232 and 2856.555 acre tracts, common with the southerly
25 right-of-way line of said FM 1462, a distance of 1590.81 feet to the
26 POINT OF BEGINNING, CONTAINING 745.8 acres of land in Brazoria
27 County, Texas.

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

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

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

15 (d) The general law relating to consent by political
16 subdivisions to the creation of districts with conservation,
17 reclamation, and road powers and the inclusion of land in those
18 districts has been complied with.

19 (e) All requirements of the constitution and laws of this
20 state and the rules and procedures of the legislature with respect
21 to the notice, introduction, and passage of this Act have been
22 fulfilled and accomplished.

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

President of the Senate

Speaker of the House

I certify that H.B. No. 2332 was passed by the House on April 28, 2017, by the following vote: Yeas 118, Nays 16, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2332 was passed by the Senate on May 11, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor