



AGENDA
WATAUGA PARKS DEVELOPMENT CORPORATION
REGULAR MEETING
7105 WHITLEY ROAD, WATAUGA, TEXAS 76148
TUESDAY, MARCH 19, 2019
6:00 PM

CALL TO ORDER

CITIZEN'S OPEN FORUM (The Citizens Open Forum section of the agenda is an opportunity for citizens to speak regarding matters that are not posted on that particular meeting's agenda. Individual citizens speaking during the Citizens Open Forum shall not exceed three (3) minutes in their comments; however, the Chair may extend the speaker's allotted time. At the beginning of the Citizens Open Forum section of the meeting, citizens desiring to speak shall stand* when prompted by the Chair so that they may be recognized and recorded as the individuals who will speak. Only those citizens who stand* during this time of recognition will be allowed to speak. The Chair shall ask each citizen wishing to speak to come to the podium to speak in turn in an orderly manner. Before providing comments, each speaker must state his or her name and address for the record. If speaking for an organization or group, the speaker should identify the group represented. Because this section of the meeting is for matters not posted on that particular meeting's agenda, members of the Board, Committee, Commission, or Corporation may only provide a statement of factual information in response to the inquiry or recite existing policy in response (e.g., to correct a factual misstatement made by the citizen or provide factual information requested by the citizen). Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a future meeting.)

REPORTS FROM STAFF

1. Parks Monthly Report for February 2019
Sal Torres, Parks and Community Services Director
2. Monthly Financial Report for February 2019
Sandra Gibson, CGFO, CGFM, Director of Finance
3. Update on Council Rules of Procedure Manual
Zolaina Parker, City Secretary, TRMC

APPROVAL OF MINUTES

1. Approval of November 20, 2018 Minutes

NEW BUSINESS

1. Discussion and action on selection of Corporation Officers
 - (a) President
 - (b) Vice-President
 - (c) Secretary
2. Acceptance of the Watauga Parks Development Corporation Audited Financial Statements for the year ending September 30, 2018
3. Consideration and acceptance of a Certificate of Amendment to the Articles of Incorporation of the Watauga Parks Development Corporation with regard to changing the name to the Watauga Economic Development Corporation as approved by Resolution on March 7, 2019
4. Consideration, discussion and action on transferring the property known as the Brooks Property, located at 6200 Watauga Road with a legal description of 3.238 acres of the W.J. Miller Survey, Abstract No. 1020 to the Watauga Economic Development Corporation (Type B) for the purposes of completing a survey and listing the property for sale with the net of all selling expenses being placed in the Watauga Economic Development Corporation Fund, for the specific purposes of increasing funds for incentive purposes to attract retail, industrial or other commercial economic development allowed under Texas Local Government Code, Sections 501, 502 and 505, with the exception of Parks projects
5. Consideration and approval of a recommendation to the City Council as to the City of Watauga Code of Ordinances Sections 30-19, 30-20 and 30-21 regarding updating the Watauga Economic Development Corporation members, responsibilities and duties of members to include broader language allowing for all State authorized Type B projects to be conducted by the Corporation in accordance with Texas Local Government Code Chapters 501, 502 and 505
6. Consideration and action on recommending two (2) members to assist in the City Manager's Workgroup for the purpose of completing the Comprehensive Plan Update

ADJOURNMENT

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Zolaina R. Parker, City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on March 15, 2019, before 6:00 p.m., in accordance with Chapter 551 of the Texas Government Code.

Zolaina R. Parker
Zolaina R. Parker, City Secretary, TRMC





AGENDA MEMORANDUM

DATE: March 13, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Sal Torres, Parks and Community Services Director

SUBJECT: Parks Monthly Report for February 2019

BACKGROUND/INFORMATION:

This is the Monthly Parks Report for February 2019.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

This item does not require a recommendation as it is a presentation/report.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Parks Monthly Report-February 2019

REVIEWED BY:

Zolaina Parker, City Secretary, TRMC

Final Approval - 3/15/2019

Approved as to form for inclusion on Agenda

PARKS DEPARTMENT MONTHLY REPORT						
MOWING SERVICES	DEPT.STAFF	CONTRACTOR	100%	50%	TOTALS	
BISD		X	1		1	
CAPP-SMITH	X		1		1	
FOSTER VILLAGE		X	1		1	
HILLVIEW		X	1		1	
WHITES BRANCH CREEK		X	1		1	
VIRGIL ANTHONY		X	1		1	
ANIMAL CONTROL		X	1		1	
CITY HALL		X	1		1	
RECREATION CENTER		X	1		1	
WATER TOWER		X	1		1	
SOCCER FIELDS	X		1		1	
BASEBALL FIELDS	X		1		1	
KICKBALL FIELDS	X		1		1	
BROWNING	X					
NATS BROOKS	X					
YAMPA TRAIL/RIDGE VIEW DR	X					
PARK&RIDE TRIANGLE	X					
WASTE MANAGEMENT SERVICES			100%	50%	TOTAL	
CAPP-SMITH RESTROOMS			19		19	
FOSTER VILLAGE RESTROOM			10		10	
INDIAN SPRINGS RESTROOM			10		10	
TRASH REMOVAL-ALL PARKS			10	9	19	
HORTICULTURE SERVICES		MUNICIPAL BUILDINGS	GENERAL PARK AREAS		TOTAL	
WEED REMOVAL		3	3		6	
HERBICIDE SPRAYING						
FERTILIZATION						
PRUNING/HEDGE TRIMMING		3	9		12	
PLANT INSTALLATION						
HARDSCAPE MAINTENANCE			1		1	
IRRIGATION SERVICES		MUNICIPAL BUILDINGS	GENERAL PARK AREAS		TOTAL	
INSPECTION						
REPAIR						
INSTALL						
FACILITY MAINTENANCE SERVICES		DEPT.STAFF	GENERAL CONTRACTOR		TOTAL	
ELECTRICAL		X			1	
GENERAL REPAIR						
PLUMBING		X			1	
TRAIL LIGHTING		X			1	
GAME PREPARATIONS FOR LEAGUE ATHLETIC ACTIVITES					TOTAL	
BASEBALL FIELDS					4	
KICKBALL FIELDS					4	
SOCCER FIELDS					1	

PARKS DEPARTMENT MONTHLY REPORT

PLAYGROUND MAINTENANCE SERVICES	DEPT. STAFF	GENERAL CONTRACTOR	TOTAL
EQUIPMENT INSPECTIONS	X		6
EQUIPMENT REPAIRS			
ENGINEERED WOOD FIBAR MAINTENANCE	X		24
ENGINEERED WOOD FIBAR FILL			

SPECIAL EVENTS	DATE	OVERTIME HOURS
Daddy Daughter Dance Setup	2/8/2019	0

ADDITIONAL WORK COMPLETED

New contract mowing bids received and being evaluated.

Annual employee CEU's completed.

Annual service completed on all mowing equipment.

Walking trail light replacement options requested from vendors. Waiting on proposals to be returned.

Additional landscaping and drainage improvements completed at the Recreation Center.

New shade structures at Recreation Center and Foster Village completed.

Shade repair at Recreation Center completed.



AGENDA MEMORANDUM

DATE: March 14, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Sandra Gibson, CGFO, CGFM, Director of Finance

SUBJECT: Monthly Financial Report for February 2019

BACKGROUND/INFORMATION:

Attached is the monthly financial report for the period ending February, 2019.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

This item does not require a recommendation as it is a presentation/report.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. WPDC February 2019

REVIEWED BY:

Approved as to form for inclusion on Agenda



AGENDA MEMORANDUM

DATE: March 15, 2019

TO: Watauga Parks Development Board

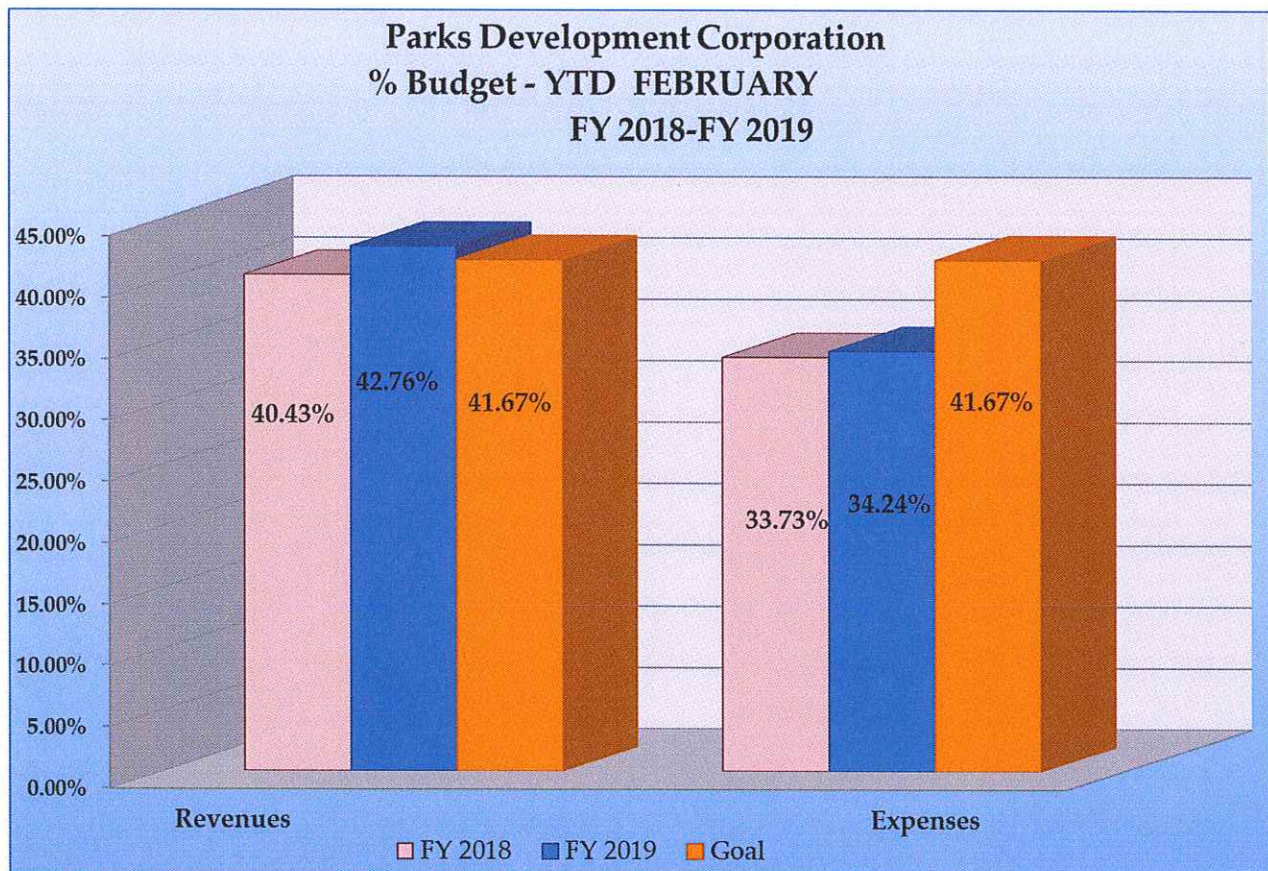
FROM: Sandra Gibson, Director of Finance

S. Gibson

SUBJECT: Financial Report for the Month of February 2019

The attached report and below graph represent the results of transactions through February 2019 which is the 5th month of the fiscal year and 42% through the FY2018-19 budget.

The year-to-date sales tax distribution is \$310,350, which is 42.6% of budgeted revenues. Total year-to-date expenditures are \$272,057 which is 34.2% of the budget expended for the year.



Parks Development Corporation Sales Tax Fund - 04

	2017-18 Budget	February 2018	2017-18 Year-to-Date	% of Budget Collected	2018-19 Budget	February 2019	2018-19 Year-to-Date	% of Budget Collected	Monthly \$ Change from Prior Year	Monthly % Change from Prior Year	Year-to-Date \$ Change from Prior Year	Year-to-Date % Change from Prior Year
Beginning Fund Balance	637,092		637,092		773,641		773,641					
Revenues												
Sales Tax	735,000	50,395	295,417	40.2%	728,000	50,187	310,350	42.6%	(207)	-0.4%	14,933	5.1%
Interest Earnings	1,000	376	2,112	211.2%	7,500	834	4,127	55.0%	458	121.7%	2,015	95.4%
Interest/Escrow	-	-	-	0.0%	-	-	-	0.0%	-	0.0%	-	0.0%
Contributions/Other	-	-	-	0.0%	-	-	-	0.0%	-	0.0%	-	0.0%
TOTAL REVENUES	736,000	50,771	297,529	40.4%	735,500	51,021	314,477	42.8%	250	0.5%	16,948	5.7%
Expenditures												
Personnel Services	412,000	30,982	172,406	41.8%	447,400	30,340	168,072	37.6%	(641)	-2.1%	(4,334)	-2.5%
Non-Departmental	17,650	1,115	5,573	31.6%	21,390	1,140	5,698	26.6%	25	2.3%	126	2.3%
Supplies	64,000	1,006	4,254	6.6%	63,100	1,885	7,688	12.2%	879	87.4%	3,434	80.7%
Maintenance	84,200	2,003	22,256	26.4%	62,200	5,924	20,428	32.8%	3,921	195.8%	(1,828)	0.0%
Contractual & Sundry	137,000	2,175	36,639	26.7%	144,100	2,220	43,111	29.9%	44	2.0%	6,473	17.7%
Transfers	37,000	2,337	14,485	29.631	50,900	4,088	21,560	0.0%	1,751	74.9%	7,075	48.8%
Capital Outlay	6,000	-	-	0.0%	5,500	5,500	5,500	0.0%	5,500	0.0%	5,500	0.0%
TOTAL EXPENDITURES	757,850	39,617	255,612	33.7%	794,590	51,097	272,057	34.2%	11,480	29.0%	16,445	6.4%
Excess Revenue Over (Under) Expenditures	(21,850)	11,154	41,917	0	(59,090)	(76)	42,420		(11,229)		502	
Est. Fund Balance (Year End Est. for Budget and Current Year-to-Date)	615,242				714,551		816,061					



AGENDA MEMORANDUM

DATE: March 15, 2019
TO: Watauga Parks Development Corporation Directors
FROM: Zolaina Parker, City Secretary, TRMC
SUBJECT: Approval of November 20, 2018 Minutes

BACKGROUND/INFORMATION:

This item includes minutes draft for review and approval.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

This item contains Meeting Minutes Draft for Council review and approval.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. Minutes Draft

REVIEWED BY:

Zolaina Parker, City Secretary, TRMC

Final Approval - 3/15/2019

Approved as to form for inclusion on Agenda

**MINUTES
WATAUGA PARKS DEVELOPMENT CORPORATION
REGULAR MEETING
TUESDAY, NOVEMBER 20, 2018
7105 WHITLEY ROAD, WATAUGA, TEXAS 76148
6:00 PM**

CALL TO ORDER

The Watauga Parks Development Corporation convened the Regular Meeting at 6:01 p.m., with the following members present:

Art Miner, President
Becky Hartless, Secretary
Christopher Poorman, Director
Jan Hill, Director
Leah Chauvin, Director

with Director Joy Longerbeam, absent with notice and Vice-President Pete Beierschmitt, absent without notice,

and

Andrea Gardner, City Manager/Registered Agent
Sandra Gibson, Director of Finance/Treasurer
Sal Torres, Director of Parks and Community Services/Staff Liaison

CITIZEN'S OPEN FORUM

None

REPORTS FROM STAFF

1. Parks Staff Report for October 2018

Sal Torres, Director of Parks and Community Services/Staff Liaison, provided the Parks Staff Report for October 2018.

2. Monthly Financial Report for the Period Ending September 30, 2018 (Pre-Audit)

Sandra Gibson, Director of Finance/Treasurer, provided the Monthly Financial

Report for the Period Ending September 30, 2018 (Pre-Audit).

APPROVAL OF MINUTES

1. Approval of Minutes of Regular Meeting for July 17, 2018

Secretary Hartless made a motion to approve the minutes as presented, Director Chauvin seconded the motion which passed unanimously.

2. Approval of August 21, 2018 Regular Meeting Minutes

Secretary Hartless made a motion to approve the minutes as presented, Director Hill seconded the motion which passed unanimously.

NEW BUSINESS

1. Discussion and action on making a recommendation to the Planning & Zoning Commission as it pertains to changing the use of the property located at 6200 Watauga Road from GU (Government Use) to GB (General Business)

Secretary Hartless made a motion to approve making a recommendation to the Planning & Zoning Commission as it pertains to changing the use of the property located at 6200 Watauga Road from GU (Government Use) to GB (General Business), Director Hill seconded the motion which passed 3 for (Hartless, Chauvin, Hill) and 1 against (Poorman).

2. Discussion, direction and possible action on scheduling Economic Development Training

Director Poorman made a motion to approve moving forward with scheduling training for Economic Development, Director Hill seconded the motion which was approved unanimously.

ADJOURNMENT

With there being no further business to discuss, President Miner adjourned the meeting at 6:29 p.m.

APPROVED:

this ____ day of _____, _____

SIGNED:

this ____ day of _____, _____

APPROVED:

Art Miner, President

ATTEST:

Becky Hartless, Secretary

NOTE: Original Audio and Video Recording of this meeting is preserved and maintained by the City Secretary's Office



AGENDA MEMORANDUM

DATE: March 13, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Sandra Gibson, CGFO, CGFM, Director of Finance

SUBJECT: Acceptance of the Watauga Parks Development Corporation Audited Financial Statements for the year ending September 30, 2018

BACKGROUND/INFORMATION:

The City of Watauga's combined annual financial audit, including the Watauga Parks Development Corporation, has been completed for the fiscal year ending September 30, 2018. The audit was accepted by City Council on March 7, 2019.

The Watauga Parks Development Corporation (WPDC) is a Special Revenue Fund within the City's combined financial statements. As of September 30, 2018, the fund balance in the WPDC Sales Tax fund (operating fund) is \$837,206, which is an increase of \$24,386 over the previous year. Expenditures for Fiscal Year 2018 include operating expenditures and transfers out totaling \$718,279. Sales tax receipts were lower than budget by \$5,159 and interest income experienced a positive budget variance of \$11,824. Actual expenditures were under budget for the year by \$39,571.

The WPDC Capital Projects Fund balance as of September 30, 2018 is \$374,358. Expenditures totaling \$61,092 included the Foster Village Park sidewalk improvements, and the Capp Smith retaining wall project (engineering and design). The retaining wall project began in FY2017 and was added to construction in progress as this project is not yet complete.

Attached are excerpts from the City of Watauga Comprehensive Annual Financial Report (CAFR) for Fiscal Year October 1, 2017 – September 30, 2018, which is available at the Watauga City Secretary's Office, the Public Library, and on the City's website. The City's Auditors, Whitley Penn, LLC, have issued an unqualified opinion for this report.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

Staff recommends the Board's acceptance of the audited financial statements for



AGENDA MEMORANDUM

Watauga Parks Development Corporation for Fiscal Year Ending September 30, 2018.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. WPDC Financial Statements 9-30-2018

REVIEWED BY:

Paul Hackleman, P.E., CFM, Director of Public Works

Zolaina Parker, City Secretary, TRMC

Approved as to form for inclusion on Agenda

Approved - 3/14/2019

Final Approval - 3/14/2019

CITY OF WATAUGA, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2018

	 WPDC Sales Tax Fund	Watauga Crime Control and Prevention Fund	Library Donation Fund	Municipal Court Security Fund	Municipal Court Technology Fund
Revenues					
Taxes	\$ 729,841	\$ 1,434,679	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Interest income	12,824	17,855	589	-	1,657
Miscellaneous	-	1	6,617	7,080	9,450
Total revenues	<u>742,665</u>	<u>1,452,535</u>	<u>7,206</u>	<u>7,080</u>	<u>11,107</u>
Expenditures					
Current:					
Public safety	-	1,533,250	-	21,019	7,465
Culture and recreation	675,636	-	3,647	-	-
Public works	-	-	-	-	-
Capital outlay	<u>6,200</u>	<u>28,807</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>681,836</u>	<u>1,562,057</u>	<u>3,647</u>	<u>21,019</u>	<u>7,465</u>
Excess (deficiency) of revenues over expenditures	<u>60,829</u>	<u>(109,522)</u>	<u>3,559</u>	<u>(13,939)</u>	<u>3,642</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(36,443)	(396,696)	-	-	(20,000)
Total other financing sources (uses)	<u>(36,443)</u>	<u>(396,696)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balances	24,386	(506,218)	3,559	(13,939)	(16,358)
Fund balances - beginning	<u>812,820</u>	<u>1,233,130</u>	<u>33,135</u>	<u>14,117</u>	<u>126,232</u>
Fund balances - ending	<u>\$ 837,206</u>	<u>\$ 726,912</u>	<u>\$ 36,694</u>	<u>\$ 178</u>	<u>\$ 109,874</u>

Municipal Court Juvenile Case Manager Fund	Traffic Safety Fund	Street Maintenance Sales Tax Fund	PEG Fund	WPDC Construction Fund	Total Non major Governmental Funds
\$ -	\$ -	\$ 721,630	\$ -	\$ -	\$ 2,886,150
-	970,089	-	-	-	970,089
1,695	1,329	18,827	13	5,060	59,849
11,771	-	-	12,305	-	47,224
13,466	971,418	740,457	12,318	5,060	3,963,312
21,137	773,945	-	6,685	-	2,363,501
-	-	-	-	-	679,283
-	-	89,842	-	-	89,842
-	-	615,673	-	61,092	711,772
21,137	773,945	705,515	6,685	61,092	3,844,398
(7,671)	197,473	34,942	5,633	(56,032)	118,914
-	-	-	12,770	-	12,770
-	-	-	-	-	(453,139)
-	-	-	12,770	-	(440,369)
(7,671)	197,473	34,942	18,403	(56,032)	(321,455)
126,803	270,917	1,084,390	-	430,390	4,131,934
\$ 119,132	\$ 468,390	\$ 1,119,332	\$ 18,403	\$ 374,358	\$ 3,810,479

CITY OF WATAUGA, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
WPDC SALES TAX SPECIAL REVENUE FUND
Year Ended September 30, 2018

	<u>Budget Amounts</u> <u>Final Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>Positive /</u> <u>(Negative)</u>
Revenues			
Taxes	\$ 735,000	\$ 729,841	\$ (5,159)
Interest income	1,000	12,824	11,824
Total Revenues	<u>736,000</u>	<u>742,665</u>	<u>6,665</u>
Expenditures			
Current:			
Culture and recreation	714,850	675,636	39,214
Capital Outlay	6,000	6,200	(200)
Total Expenditures	<u>720,850</u>	<u>681,836</u>	<u>39,014</u>
Excess (deficiency) of revenues over expenditures	<u>15,150</u>	<u>60,829</u>	<u>45,679</u>
Other financing sources (uses)			
Transfers out	<u>(37,000)</u>	<u>(36,443)</u>	<u>557</u>
Total other financing sources (uses)	<u>(37,000)</u>	<u>(36,443)</u>	<u>557</u>
Net change in fund balances	(21,850)	24,386	46,236
Fund balances, beginning of year	<u>812,820</u>	<u>812,820</u>	<u>-</u>
Fund balances, end of year	<u>\$ 790,970</u>	<u>\$ 837,206</u>	<u>\$ 46,236</u>



AGENDA MEMORANDUM

DATE: March 14, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Andrea Gardner, City Manager

SUBJECT: Consideration and acceptance of a Certificate of Amendment to the Articles of Incorporation of the Watauga Parks Development Corporation with regard to changing the name to the Watauga Economic Development Corporation as approved by Resolution on March 7, 2019

BACKGROUND/INFORMATION:

On August 21, 2018 City staff presented Type B Sales Tax history and options to the PDC and, on August 22, 2018 during a Special Meeting, the same presentation was provided to the Council.

City staff also scheduled training through TEEX with the PDC and City Council on 1/15/19. A request was received from the Mayor Pro Tem to research the renaming of the Watauga Parks Development Corporation. The research was conducted by the City Attorney's Office.

On March 7, 2019, a few options were made available to Council with one being no name change (leave as currently named), change the name to the Watauga Economic Development Corporation or change the name to Watauga Development Corporation. The City Council approved the name change to the Watauga Economic Development Corporation by Resolution. Before the name change is complete, a Certificate of Amendment for name change must be filed with the Secretary of State.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

City staff respectfully requests the Board accept the name change for the Watauga Parks Development Corporation to the Watauga Economic Development Corporation.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. City Attorney Letter of Approval and Proposed Resolution Draft



AGENDA MEMORANDUM

2. Resolution 19-03-07-03

REVIEWED BY:

Paul Hackleman, P.E., CFM, Director of Public Works

Zolaina Parker, City Secretary, TRMC

Approved as to form for inclusion on Agenda

Approved - 3/14/2019

Final Approval - 3/14/2019

LAW OFFICES
EVANS, DANIEL, MOORE, EVANS, BIGGS & DECKER
(NOT A PARTNERSHIP)

MARK G. DANIEL

BOARD CERTIFIED - CRIMINAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION

CRIMINAL TRIAL SPECIALIST-BOARD CERTIFIED
NATIONAL BOARD OF TRIAL ADVOCACY

SUNDANCE SQUARE
115 WEST SECOND STREET, SUITE 202
FORT WORTH, TEXAS 76102

(817) 332-3822
FACSIMILE (817) 332-2763

OF COUNSEL:
TIM EVANS
TIM MOORE
LANCE T. EVANS
WILLIAM R. BIGGS
ANDREW J. DECKER

February 11, 2019

Ms. Zolaina Parker
City Secretary
City of Watauga
7105 Whitley Road
Watauga, Texas 76148

Via E-mail

Re: Resolution approving the Certificate of Amendment to the Articles of Incorporation to the Watauga Parks Development Corporation changing the corporation's name to the Watauga Economic Development Corporation

Dear Ms. Parker:

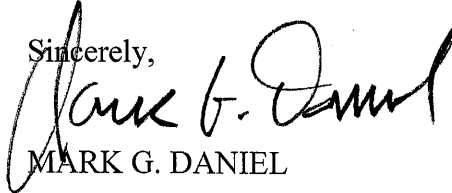
Attached you will find a resolution approving the Certificate of Amendment to the Articles of Incorporation to the Watauga Parks Development Corporation ("PDC") changing the corporation's name to the Watauga Economic Development Corporation. My office has been advised that this amendment is being requested because the amended name more closely aligns with the intent and corporation's purpose of encouraging economic development and advancement in the City. You will also find attached a "Packing Slip" from the Office of the Secretary of State dated February 8, 2019, confirming that this amended name is available for use and has been reserved by the City of Watauga for the next 120 days.

Per the Texas Local Government Code, amending the corporation's name does not require the prior approval of the PDC. The governing body of a municipality may, at its sole discretion, amend the corporation's Certificate of Formation at any time by adopting the amendment by resolution and delivering a Certificate of Amendment to the Texas Secretary of State pursuant to and in accordance with the provisions of Texas Local Government Code § 501.302. Thus, the City Council may approve this name change by resolution.

I have also attached the related Certificate of Amendment ("Form 424") which will need to be filed with the Texas Secretary of State along with a certified copy of the approved Resolution.

The attached Resolution and Certificate of Amendment may be submitted for consideration at the next City Council meeting. Thank you for your attention to the above and the opportunity to be of assistance. Should you have any questions or need anything further, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark G. Daniel", written over the printed name.

MARK G. DANIEL

MGD/jjv

cc:

Ms. Andrea Gardner, *City Manager*
City Council Members

CITY OF WATAUGA, TEXAS

RESOLUTION NO. _____

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS APPROVING THE CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION TO THE WATAUGA PARKS DEVELOPMENT CORPORATION WHICH SHALL CHANGE THE CORPORATION'S NAME TO THE WATAUGA ECONOMIC DEVELOPMENT CORPORATION; PROVIDING THAT ALL RESOLUTIONS IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 501 of the Texas Local Government Code is the governing body of law for development corporations in Texas and, as such, provides specific filing requirements for Certificates of Formation related to such development corporations as well as any subsequent amendments made to such Certificates of Formation; and

WHEREAS, the Watauga Parks Development Corporation (originally named "The Watauga Industrial Development Corporation") was created pursuant to Chapter 501 of the Texas Local Government Code to encourage the development and advancement of the parks and recreation facilities in the City; and

WHEREAS, the City Council of the City of Watauga may, at its sole discretion, amend its development corporation's Certificate of Formation at any time by adopting the amendment by resolution and delivering a Certificate of Amendment to the Texas Secretary of State pursuant to and in accordance with the provisions of Texas Local Government Code § 501.302; and

WHEREAS, the City recognizes the name "The Watauga Economic Development Corporation" more closely aligns with the intent and corporation's purpose of encouraging economic development and advancement in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS THAT:

I

The City Council of the City of Watauga does hereby approve the proposed Certificate of Amendment to the Articles of Incorporation for the Watauga Parks Development Corporation which shall change the corporation's name to the Watauga Economic Development Corporation. The Certificate of Amendment ("Form 424") is attached as Exhibit "A" and shall be filed with the Texas Secretary of State.

II.

All Resolutions, or portions thereof, of the City of Watauga in conflict with the provisions of this Resolution to the extent that such are in conflict, are hereby repealed. To the extent that such Resolution or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

III.

If any section, subsection, sentence, clause or phrase of this Resolution shall for any reason shall be held to be invalid, such decision shall not affect the validity of the remaining portions of the Resolution which shall remain in full force and effect.

IV.

This Resolution shall become effective and shall be in full force and effect after the passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the _____ day of _____, 2019.

APPROVED:

DAVID GRIFFIN,
MAYOR PRO TEM

ATTEST:

ZOLAINA R. PARKER, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, CITY ATTORNEY

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



David Whitley
Secretary of State

Office of the Secretary of State
Packing Slip

February 8, 2019
Page 1 of 1

Attn: City of Watauga
City of Watauga
7105 Whitley Road
Watauga, TX 76148

Batch Number: 86676000

Batch Date: 02-07-2019

Client ID: 692554324

Return Method: Email

Document Number	Document Detail	Number / Name	Page Count	Fee
866760000002	Application for Name Reservation	Watauga Economic Development Corporation	1	\$40.00
866760000003	Name Availability	Watauga Economic Development Corporation		\$0.00
866760000004	Convenience Fee			\$1.08
Total Fees:				\$41.08

Payment Type	Payment Status	Payment Reference	Amount
Credit Card	Accepted	*****6851	\$41.08
Total:			\$41.08

Total Amount Charged to Client Account: \$0.00
(Applies to documents or orders where Client Account is the payment method)

Note to Customers Paying by Client Account: This is not a bill. Payments to your client account should be based on the monthly statement and not this packing slip. Amounts credited to your client account may be refunded upon request. Refunds (if applicable) will be processed within 10 business days.

User ID: WEBSUBSCRIBER

Phone: (512) 463-5555

Come visit us on the Internet @ <http://www.sos.state.tx.us/>
FAX: (512) 463-5709

Dial: 7-1-1 for Relay Services

Form 424**(Revised 05/11)**

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



This space reserved for office use.

Certificate of Amendment**Entity Information**

The name of the filing entity is:

Watauga Parks Development Corporation

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- | | |
|---|---|
| ☐ For-profit Corporation | ☐ Professional Corporation |
| ☒ Nonprofit Corporation | ☐ Professional Limited Liability Company |
| ☐ Cooperative Association | ☐ Professional Association |
| ☐ Limited Liability Company | ☐ Limited Partnership |

The file number issued to the filing entity by the secretary of state is: 65990101The date of formation of the entity is: 05/23/1983**Amendments****1. Amended Name**

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

Watauga Economic Development Corporation

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

2. Amended Registered Agent/Registered Office

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

Registered Agent
(Complete either A or B, but not both. Also complete C.)

☐ A. The registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ B. The registered agent is an individual resident of the state whose name is:

First Name	M.I.	Last Name	Suffix
The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.			

C. The business address of the registered agent and the registered office address is:

7105 Whitley Road	Watauga	TX	76148
<i>Street Address (No P.O. Box)</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

3. Other Added, Altered, or Deleted Provisions

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

☐ **Add** each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

☐ **Alter** each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

☐ **Delete** each of the provisions identified below from the certificate of formation.

Statement of Approval

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

Effectiveness of Filing (Select either A, B, or C.)

A. ☒ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: _____

By: _____

Signature of authorized person

Printed or typed name of authorized person (see instructions)

CITY OF WATAUGA, TEXAS

RESOLUTION NO. 19-03-07-03

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS APPROVING THE CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION TO THE WATAUGA PARKS DEVELOPMENT CORPORATION WHICH SHALL CHANGE THE CORPORATION'S NAME TO THE WATAUGA ECONOMIC DEVELOPMENT CORPORATION; PROVIDING THAT ALL RESOLUTIONS IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 501 of the Texas Local Government Code is the governing body of law for development corporations in Texas and, as such, provides specific filing requirements for Certificates of Formation related to such development corporations as well as any subsequent amendments made to such Certificates of Formation; and

WHEREAS, the Watauga Parks Development Corporation (originally named "The Watauga Industrial Development Corporation") was created pursuant to Chapter 501 of the Texas Local Government Code to encourage the development and advancement of the parks and recreation facilities in the City; and

WHEREAS, the City Council of the City of Watauga may, at its sole discretion, amend its development corporation's Certificate of Formation at any time by adopting the amendment by resolution and delivering a Certificate of Amendment to the Texas Secretary of State pursuant to and in accordance with the provisions of Texas Local Government Code § 501.302; and

WHEREAS, the City recognizes the name "The Watauga Economic Development Corporation" more closely aligns with the intent and corporation's purpose of encouraging economic development and advancement in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS THAT:

I

The City Council of the City of Watauga does hereby approve the proposed Certificate of Amendment to the Articles of Incorporation for the Watauga Parks Development Corporation which shall change the corporation's name to the Watauga Economic Development Corporation. The Certificate of Amendment ("Form 424") is attached as Exhibit "A" and shall be filed with the Texas Secretary of State.

II.

All Resolutions, or portions thereof, of the City of Watauga in conflict with the provisions of this Resolution to the extent that such are in conflict, are hereby repealed. To the extent that such Resolution or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

III.

If any section, subsection, sentence, clause or phrase of this Resolution shall for any reason shall be held to be invalid, such decision shall not affect the validity of the remaining portions of the Resolution which shall remain in full force and effect.

IV.

This Resolution shall become effective and shall be in full force and effect after the passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 7th day of March, 2019.

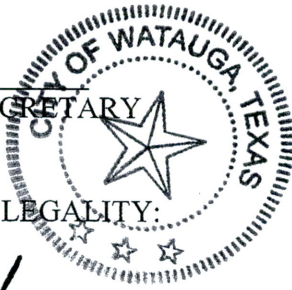
APPROVED:



DAVID GRIFFIN,
MAYOR PRO TEM

ATTEST:


ZOLAINA R. PARKER, CITY SECRETARY



APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, CITY ATTORNEY



AGENDA MEMORANDUM

DATE: March 13, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Andrea Gardner, City Manager

SUBJECT: Consideration, discussion and action on transferring the property known as the Brooks Property, located at 6200 Watauga Road with a legal description of 3.238 acres of the W.J. Miller Survey, Abstract No. 1020 to the Watauga Economic Development Corporation (Type B) for the purposes of completing a survey and listing the property for sale with the net of all selling expenses being placed in the Watauga Economic Development Corporation Fund, for the specific purposes of increasing funds for incentive purposes to attract retail, industrial or other commercial economic development allowed under Texas Local Government Code, Sections 501, 502 and 505, with the exception of Parks projects

BACKGROUND/INFORMATION:

The property was transferred to the City by General Warranty Deed on May 30, 1996 with stipulations that the property shall be utilized as a City of Watauga City Park and shall be named "Nat Brooks Park". The City Manager met with Roger Brooks to discuss the potential for the property. Thus, Mr. Brooks agreed to revise the 1996 Deed and remove the restrictions to develop as a park and name the property after Nat Brooks. The City Attorney provided the revised General Warranty Deed and Mr. Roger Brooks executed the document that was filed with Tarrant County.

With the City approaching build out, staff presented a zoning change request to the Planning and Zoning Commission in June 2018 to change the zoning from GU (Government Use) to GB (General Business) in order to market the property. The request was denied.

On November 20, 2018, City staff discussed with the Board the possibility of rezoning the property from Government Use to Commercial use. The Board supported the rezone, but did inquire about the ownership of the property; which entity would cover expenses associated with marketing and selling the property and which entity would receive the funds from the net proceeds.

The City Council at their meeting of March 7, 2019, the consensus of the City Council



AGENDA MEMORANDUM

was to proceed with the transfer of the property to the Watauga Economic Development Corporation for specific non-park economic development.

City staff has initiated an application for a zoning change on the property which is scheduled for public hearings at the Planning & Zoning Commission meeting on April 2, 2019 at 6:00 p.m., and Regular City Council meeting on May 13, 2019 at 6:30 p.m.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

City staff respectfully recommends the Corporation accept the transfer of the property, support the subsequent zoning change request, and identify the net proceeds from the sale of the property to be purposed for non-park economic development.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. CORRECTION DEED BROOKS PROPERTY
2. General Warranty Deed
3. Aerial Map of Subject Property

REVIEWED BY:

Paul Hackleman, P.E., CFM, Director of Public Works

Zolaina Parker, City Secretary, TRMC

Approved as to form for inclusion on Agenda

Approved - 3/14/2019

Final Approval - 3/14/2019

CORRECTION GENERAL WARRANTY DEED

Date: April 23, 2018

Grantor: Roger Brooks

Grantor's Mailing Address:

2841 Manorwood Trail
Fort Worth, Texas 76109-5559
Tarrant County

Grantee: City of Watauga

Grantee's Mailing Address:

7105 Whitley Road
Watauga, Texas 76148
Tarrant County

Consideration:

The correction deed and conveyance made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Property Description: See Exhibit "B" attached hereto and incorporated by reference for all purposes.

This deed is made as a correction general warranty deed in substitution of the deed titled "General Warranty Deed" ("Corrected Deed") dated May 30, 1996 and recorded under Instrument Number _____ of the real property records of Tarrant County, Texas (attached hereto as Exhibit "A" and incorporated by reference for all purposes). This correction general warranty deed is made in order to correct the following information: The Corrected Deed included a restriction in favor of the Grantor stipulating that the property was to be utilized as a city park to be named "Nat Brooks Park." That restriction should be eliminated.

All references to the restrictions for use associated with the property and name for the park, if such property is used as a city park, are deleted from the Corrected Deed. Grantor and Grantee

hereby release each other of such restrictions and waive any claims against each other related, directly or indirectly, to the restrictions referenced herein.

Other than the stated correction, this correction general warranty deed is intended to restate in all respects the Corrected Deed, and the effective date of this correction deed relates back to the effective date of the Corrected Deed.

This information was prepared based on information furnished by the parties, and no independent title search has been made.

Executed effective as of the date first written above.

GRANTOR:

ROGER BROOKS

GRANTEE:

PAT SHELBOURNE, MAYOR PRO TEM
CITY OF WATAUGA

STATE OF TEXAS §
 §
COUNTY OF TARRANT §
 §

The foregoing instrument was acknowledged before me on the _____ day of _____, 2018.

MY COMMISSION EXPIRES:

NOTARY PUBLIC, STATE OF TEXAS

PRINTED NAME OF NOTARY:

"Nat Brooks Park"
see page 4

2-22-18

3.238 Acre
Rood
Prop. Maurice
near
see AP.
near

D196113857
MARK G DANIEL ATTY AT LAW
115 W 2ND ST # 202
FT WORTH, TX 76102

-W A R N I N G-T H I S I S P A R T O F T H E O F F I C I A L R E C O R D -- D O N O T D E S T R O Y

I N D E X E D -- T A R R A N T C O U N T Y T E X A S
S U Z A N N E H E N D E R S O N -- C O U N T Y C L E R K
O F F I C I A L R E C E I P T

T O : M A R K G D A N I E L A T T Y A T L A W

RECEIPT NO 196225455	REGISTER DR92	RECD-BY T003957	PRINTED DATE 06/14/96	TIME 09:49
	INSTRUMENT FEED 1 D196113857 WD	INDEXED 960614	TIME 09:49	CK 6178

T O T A L : D O C U M E N T S : 01 F E E S : 13.00

B Y: 

ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

12400 1193

DESCRIPTION OF PROPERTY
3.238 ACRES
W. J. MILLER SURVEY ABSTRACT NO. 1020

SITUATED in the city of Watauga, Tarrant County, Texas and being a tract of land out of the W. J. Miller Survey, Abstract No. 1020 said tract being a portion of a tract of land conveyed to Nat Brooks, Roger D. Brooks, and Effie B. Brooks Trust, (Brooks tract) by deed as recorded in Volume 5888, Page 370 of the Deed Records of Tarrant County, Texas (D.R.T.C.T.), and being more particularly described by metes and bounds as follows:

BEGINNING at a one half inch iron rod found in place in the westerly property line of said Brooks tract and the east line of Block 26 of Browning Heights North Section Seven an addition to the City of Watauga as recorded in Volume 388-42, Page 58 of the Plat Records of Tarrant County, Texas (P.R.T.C.T.), said point of beginning being at the southwest property corner of a tract of land conveyed to the City of Watauga as Right-of-Way for Watauga Road by deed as recorded in Volume 6722, Page 1155 of the D.R.T.C.T., said point of beginning being on a curve to the right whose center bears South 01 degrees 18 minutes 45 seconds West, 5679.58 feet;

THENCE, Easterly along said curve to the right and the south Right-of-way line of Watauga Road through a central angle of 2 degrees 01 minutes 37 seconds and an arc length of 200.92 feet to a one half inch iron rod found in place at the end of said curve;

THENCE, South 86 degrees 40 minutes 43 seconds East, continuing along the south Right-of-Way line of Watauga road, 211.54 feet to a one half inch iron rod found in place at the beginning of a curve to the left whose center bears North 03 degrees 17 minutes 59 seconds East, 5779.58 feet;

THENCE, Easterly along said curve to the left and along the south Right-of-Way line of said Watauga road through a central angle of 0 degrees 19 minutes 49.5 seconds and an arc length of 33.33 feet to a point at the northwest corner of a tract of land conveyed to the City of Watauga (City tract) by deed as recorded in Volume 11035, Page 1171 of the D.R.T.C.T.;

THENCE, South 24 degrees 42 minutes 06 seconds West, along the west line of said City tract, 88.92 feet;

THENCE, South 05 degrees 10 minutes 09 seconds West, continuing along the west line of said City tract, 53.10 feet to a point on a curve to the right whose center bears North 54 degrees 39 minutes 02 seconds West, 570.0 feet;

THENCE, westerly along the northerly line of said City Tract and said curve to the right through a central angle of 11 degrees 26 minutes 56.5 seconds and an arc length of 113.90 feet to a point at the end of said curve;

12400 1191

PAGE 2 OF 2

DESCRIPTION OF PROPERTY
3.238 ACRES
W. J. MILLER SURVEY ABSTRACT NO. 1020

THENCE, South 46 degrees 47 minutes 56 seconds West, continuing along the northerly line of said City tract, 104.67 feet;

THENCE, South 50 degrees 50 minutes 06 seconds West, continuing along the north line of said City tract, 332.05 feet to southeast corner of the aforesaid Block 26 of said Browning Heights North Section Seven;

THENCE, North 00 degrees 34 minutes 04 seconds East, along the east line of said Block 26, 523.01 feet to the POINT OF BEGINNING.

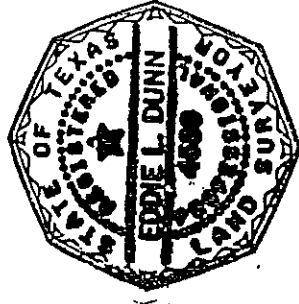
The Tract of land herein described contains 3.238 acres (141,048 square feet) of which 0.159 (6,931 square feet) acres falls within existing easements dedicated to the public leaving a net acreage of 3.079 acres (134,117 square feet) of land more or less.

TO ALL PARTIES INTERESTED IN TITLE TO THE PREMISES SURVEYED, I DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED FROM PUBLIC RECORDS AND FROM AN ACTUAL AND ACCURATE SURVEY UPON THE GROUND AND THAT SAME IS TRUE AND CORRECT.

Company Name: Eddie L. Dunn R.P.L.S.

By: Eddie L. Dunn

Eddie L. Dunn
Registered Professional Land Surveyor
Texas No. 4580
Date of survey January 1996



12400 1192

GENERAL WARRANTY DEED

STATE OF TEXAS § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §

THAT THE UNDERSIGNED, ROGER D. BROOKS, (hereinafter referred to as "Grantor") for good and valuable consideration, the consideration for the conveyance of the property shall be the design, engineering and construction, at the sole cost and expense of the Buyer and cooperation with the City of North Richland Hills, of an underground storm drainage system necessary to alleviate any drainage problems that may arise with respect to water draining on to adjacent property and on and down Orchard Drive, Brookside Drive, Stardust Drive and Skylark Drive including waters from Rufe Snow Drive and lands on the east-side thereof, from the development as commercial property of the land owned by Seller on the West-side of the 6000 block of Rufe Snow between Orchard and Stardust Drive, all in the City of Watauga, Tarrant County, Texas. Such consideration shall have the agreed value of \$50,000.00. Additionally, said property described herein on Exhibit "A" shall be utilized as a City of Watauga City Park and inasmuch shall be named "Nat. Brooks Park", the receipt and sufficiency of which is hereby fully acknowledged, HAS GIVEN, GRANTED AND CONVEYED and by these presents DO HEREBY GIVE, GRANT AND CONVEY unto the City of Watauga, of the County of Tarrant, State of Texas, (hereinafter referred to as "Grantee") all of that certain real estate lying and being situated in Tarrant County, Texas more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

This conveyance, however, is made and accepted subject to any and all validly existing encumbrances, conditions and restrictions, relating to the hereinabove described property as now reflected by the records of the County Clerk of Tarrant County, Texas and all applicable zoning ordinances of Tarrant County, Texas.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in any wise belonging and any right, title, and interest in Grantor in and to adjacent streets, alleys and rights-of-way, unto the said Grantee, its heirs, personal representatives, successors, and assigns forever, and Grantor does hereby bind himself and his heirs, personal representatives, successors and assigns, to warrant and forever defend all and singular the Property unto Grantee and its heirs, personal representatives, successors, and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject, however, as aforesaid.

Current ad valorem taxes on said property having been prorated, the payment thereof is assumed by the City of Watauga.

Executed this 30 day of MAY, 1996, Roger Brooks
ROGER BROOKS
1939 E. PRICE, Keller Tex
Address 76248

FILED
TARRANT COUNTY TEXAS
MAY 14 1996
CLERK
Grantee address
City of Watauga
7401 Whitley Road
Watauga, TX 76148

THIS DOCUMENT IS UNCLEAR IN THE RETURN ADDRESS.
THE RETURN ADDRESS WAS OBTAINED FROM:
(ENVELOPE) (CHECK) (FILE SLIP) (COVER LETTER)
(SUBMITTER) (OTHER)

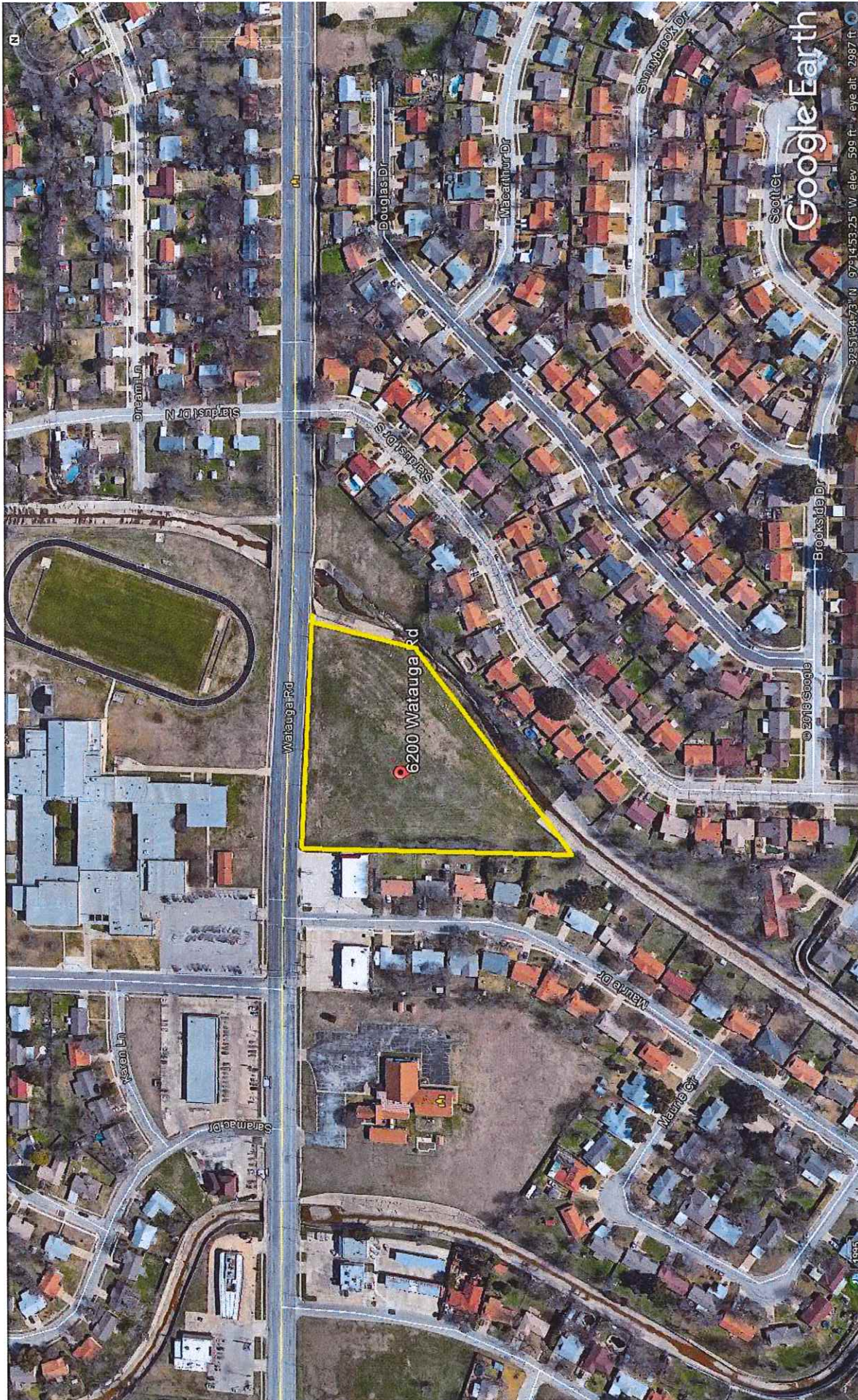
THE STATE OF TEXAS §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me on the 30th day of May, 1996.

Nancy S. Meadows
NOTARY PUBLIC, STATE OF TEXAS
PRINTED NAME OF NOTARY

MY COMMISSION EXPIRES: 4-16-97
Nancy S. Meadows







AGENDA MEMORANDUM

DATE: March 13, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Andrea Gardner, City Manager

SUBJECT: Consideration and approval of a recommendation to the City Council as to the City of Watauga Code of Ordinances Sections 30-19, 30-20 and 30-21 regarding updating the Watauga Economic Development Corporation members, responsibilities and duties of members to include broader language allowing for all State authorized Type B projects to be conducted by the Corporation in accordance with Texas Local Government Code Chapters 501, 502 and 505

BACKGROUND/INFORMATION:

During the March 7, 2019 Regular City Council Meeting, the Council's consensus was in favor of the proposed changes presented by the City Manager. The proposed changes are attached for your review and input.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

City staff respectfully requests a recommendation be made to the Council for final approval of the proposed changes.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. PDC Ordinance
2. PDC Proposed Changes
3. PDC Documents
4. PDC 021919 Strategic Planning

REVIEWED BY:

Paul Hackleman, P.E., CFM, Director of Public Works
Zolaina Parker, City Secretary, TRMC
Approved as to form for inclusion on Agenda

Approved - 3/14/2019
Final Approval - 3/14/2019

ARTICLE I. - IN GENERAL

Secs. 30-1—30-18. - Reserved.

ARTICLE II. - PARKS DEVELOPMENT CORPORATION

Sec. 30-19. - New members.

Upon completion of the appointment process, new directors shall be encouraged to become familiar with all aspects, duties and responsibilities of the city parks development corporation (WPDC). The WPDC secretary is encouraged to furnish to new members the telephone numbers of other WPDC board members and staff, the governing regulations, and any other pertinent information concerning the WPDC to the new board member within seven days of the new director's appointment.

(Code 2001, § 9.1001(a); Code 2010, § 1.04.181)

Sec. 30-20. - Responsibilities.

Responsibilities of the city parks development corporation are as follows:

- (1) Establish policies and administer the programs and services within the confines of state law and under the direction of the city council.
- (2) Devise and update as necessary a master plan showing locations for all current and proposed park and recreation facilities in the city.
- (3) Collect the one-half cent sales tax as provided in the May 7, 1994 sales tax election.
- (4) Prepare an annual budget for approval by the city council.
- (5) Conduct public hearings and receive citizen input regarding proposed projects within the jurisdiction of the corporation.
- (6) Ensure that the financial affairs of the corporation are conducted in accordance with the established policies of state law and the city council.
- (7) The following items shall be forwarded to the city council for approval prior to any commitment by the parks development corporation:
 - a. All new projects.
 - b. Changes in size, scope or location of existing or planned projects.
 - c. Request for use of any land or facilities owned by the city or the PDC for temporary use for organized athletic events, etc.
 - d. Purchase or sale of land or facilities.

(Code 2001, § 9.1001(b); Code 2010, § 1.04.182)

Sec. 30-21. - Duties of members.

The specific duties of a member of the board of directors of the parks development corporation shall be as follows:

- (1) Attend all board meetings regularly and actively participate in discussion and action on agenda items.
- (2) Become well informed of all agenda items in advance of the meeting.
- (3) Express points of view based on knowledgeable input.
- (4) Consider other points of view, make constructive suggestions, and help make group decisions which reflect the thinking of the total group.
- (5) Assume board leadership responsibilities as requested, such as elected officer or committee chair.
- (6) Keep informed about the corporation's programs, policies, responsibilities, and budget status, as well as changes in state law affecting operations of the board.
- (7) Make all decisions and take all actions based on the principles of reasonable prudence, acting in good faith, with the well-being of citizens always of paramount importance.
- (8) Avoid any conflict of interest.

(Code 2001, § 9.1001(c); Code 2010, § 1.04.183)

Secs. 30-22—30-45. - Reserved.

Secs. 30-1—30-18. - Reserved.

ARTICLE II. - PARKS DEVELOPMENT CORPORATION

Sec. 30-19. - New members.

Upon completion of the appointment process, new directors shall be encouraged to become familiar with all aspects, duties and responsibilities of the city ~~park development~~Type B corporation (WPDC). The ~~Type B Corporation~~WPDC secretary is encouraged to furnish to new members the telephone numbers of other ~~WPDC~~Type B Corporation board members and staff, the governing regulations, and any other pertinent information concerning the ~~WPDC~~Type B Corporation to the new board member within seven days of the new director's appointment.

(Code 2001, § 9.1001(a); Code 2010, § 1.04.181)

Sec. 30-20. - Responsibilities.

Responsibilities of the city ~~park development~~Type B corporation are as follows:

- (1) Establish policies and administer the programs and services within the confines of state law and under the direction of the city council.
- (2) Devise and update as necessary a ~~master plan showing locations for all current and proposed park and recreation facilities in the city~~strategic plan for economic development.
- (3) Collect the ~~one-half cent~~ sales tax as provided in the ~~May 7, 1994~~most recent sales tax election.
- (4) Prepare an annual budget for approval by the city council.
- (5) ~~—~~ Conduct public hearings and receive citizen input regarding proposed projects within the jurisdiction of the corporation as required by Texas Local Government Code.
- (6) Ensure that the financial affairs of the corporation are conducted in accordance with the established policies of state law and the city council.
- (7) The following items shall be forwarded to the city council for approval prior to any commitment by the ~~park development~~Type B corporation:
 - a. All new projects.
 - b. Changes in size, scope or location of existing or planned projects.
 - c. Request for use of any land or facilities owned by the city or the ~~PD~~Type B Corporation for temporary use for organized ~~athletic~~ events, etc.
 - d. Purchase or sale of land or facilities.

(Code 2001, § 9.1001(b); Code 2010, § 1.04.182)

Sec. 30-21. - Duties of members.

The specific duties of a member of the board of directors of the ~~park development~~Type B corporation shall be as follows:

- (1) Attend all board meetings regularly and actively participate in discussion and action on agenda items.
- (2) Become well informed of all agenda items in advance of the meeting.

- (3) Express points of view based on knowledgeable input.
- (4) Consider other points of view, make constructive suggestions, and help make group decisions which reflect the thinking of the total group.
- (5) Assume board leadership responsibilities as requested, such as elected officer or committee chair.
- (6) Keep informed about the corporation's programs, policies, responsibilities, and budget status, as well as changes in state law affecting operations of the board.
- (7) Make all decisions and take all actions based on the principles of reasonable prudence, acting in good faith, with the well-being of citizens always of paramount importance.
- (8) Avoid any conflict of interest.

(9) Complete the State of Texas Open Meetings Act Training within 90 days of appointment to the Type B Board.

(10) Complete the State of Texas Public Information Act Training within 90 days of appointment to the Type B Board.

(11) Complete the State of Texas required/approved Basic Economic Development Training Course within 12 months of appointment to the Type B Board.

(Code 2001, § 9.1001(c); Code 2010, § 1.04.183)

Secs. 30-22—30-45. - Reserved.

Timeline for PDC Creation

1. May 23, 1983

Resolution No. 83523 was approved authorizing the creation and establishment of the Watauga Industrial Development Corporation

2. June 15, 1983

Articles of Incorporation were filed in the office of the Secretary of State of the State of Texas

3. July 11, 1983

Resolution No. 83711 was approved that approved the bylaws governing the affairs of the Watauga Industrial Development Corporation

4. March 14, 1994

Ordinance 665 was approved calling a Sales and Use Tax Election to be held within the City, making provisions for the conduct thereof and other provisions relating thereto. Proposition language: The levy and collection of an additional one-half of one percent sales and use tax within the City pursuant to the provisions of Article 5109.6, Vernon's Texas Civil Statutes, as amended (the "Act"), with the proceeds thereof to be used and applied in the manner and to the purpose authorized by Section 4B of the Act, including but not limited to, land, facilities, equipment and open space improvements for Parks and Recreation.

5. May 7, 1994

Special Sales and Use Tax Election was held. Proposition language: The levy and collection of an additional one-half of one percent sales and use tax for the purpose of providing land, facilities, equipment for parks and recreation, open space improvements, and other facilities permitted by Section 4B of Article 5190.6 Vernon's Texas Civil Statutes, as amended.

6. May 23, 1994

Ordinance No. 670 was approved canvassing the returns and declaring the results of the Special Sales and Use Tax Election held on May 7, 1994. Election results: FOR 528, AGAINST 332, TOTAL VOTES CAST 860

7. July 25, 1994

A resolution of the City Council was approved that approved 2 amendments to the Watauga Industrial Development Corporation: 1) Change the name of the corporation from the Watauga Industrial Development Corporation to the Watauga Parks Development Corporation; 2) Article IV of the Articles of Incorporation are amended to read as follows: *The Corporation is organized exclusively for the*

purposes of benefiting and accomplishing public purpose of, and to act on behalf of the City of Watauga, Texas and the specific purposes for which the Corporation is organized and may issue bonds on behalf of the City of Watauga, Texas for the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare, pursuant to the Development Corporation Act of 1979, Article 5190.6, Section 4B, Vernon's Annotated Civil Statutes, as now or hereafter amended. The Corporation is a constituted authority and a public instrumentality within the meaning of the regulations of the United States Treasury Department and the ruling of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and the Corporation is authorized to act on behalf of the City of Watauga, Texas as provided in these Articles of Incorporation. The Corporation is not a political subdivision or political corporation of the State of Texas within the meaning of its constitution, and no agreements, bonds, debts, or obligations or the lending of credit, or grant of public money or anything of value, of or by the City of Watauga, Texas or any other political corporation, subdivision, or agency of the State of Texas, or a pledge of faith and credit of any of them.

8. June 26, 1995

Ordinance No. 702 was adopted by the City Council to amend Chapter 2 of the Code of Ordinances to include Article X establishing the Economic Development Board; enumerating powers and duties of the Economic Development Board; providing that employee matters are not within the direction or control of the Economic Development Board; establishing residency as a requirement of membership for all except 2 places on the Economic Development Board; establishing composition and terms of office; providing for removal of members and filling of vacancies; designating officers; providing that service on the Economic Development Board shall be without compensation; providing for donations and solicitations; establishing rules for meetings; providing for minutes; establishing a liaison to the City Council; providing that all ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

9. June 26, 1995

Approved Ordinance No. 705 was approved to ratify, confirm and validate the levy and imposition of the additional one-half sales and use tax approved and authorized at the election held on May 7, 1994 after a question was raised whether Ordinance No. 670 effectively provided for the levy of such sales and use tax.

The imposition and collection of such sales and use taxes since October 1, 1994 and the receipt of such tax receipts by the City under the Act is hereby in all respects ratified, confirmed and approved.

10. May 21, 2001

Ordinance No. 1067 was approved repealing Chapter 2, Article X of the Code of Ordinances of the City of Watauga to abolish the Economic Development Board and transfer responsibilities to the Mayor, City Council Members and staff.

11. January 23, 2012

Ordinance No. 1483 was adopted by the City Council calling for a special election to be held in said city on the 12th day of May 2012 for the decrease in the sales and use tax for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent and the adoption of a local sales and use tax of one-fourth of one percent for maintenance and repair of municipal streets.

12. May 21, 2012

Resolution No. 12-05-21-02 was adopted by the City Council canvassing returns and declaring the results of a special election held in the City on May 12, 2012 for the submission of a proposition to decrease the sales and use tax for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent and the adoption of a local sales and use tax in the City of Watauga at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

Voting Results for Proposition 1 were 454 FOR, 130 AGAINST, 13 UNDERVOTES, TOTAL VOTES 597

13. January 25, 2016

Ordinance No. 1614 was adopted by the City Council calling a special election to be held in said city on the 7th day of May 2016 for the continuation of the adoption of a local sales and use tax of one-fourth of one percent for maintenance and repair of municipal streets; setting the date, place and time of said elections; and other provisions otherwise incidental to such ordinance in accordance with the Texas Election Laws and Articles III and IV of the City of Watauga Home Rule Charter.

14. May 23, 2016

Resolution No. 16-05-23-02 was approved by the City Council canvassing the returns and declaring the results of a special election held in the City of Watauga on May 7, 2016 for the submission of a proposition reauthorizing a local sales and use tax in the City of Watauga at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

Proposition 1 Voting Results were FOR 250, AGAINST 49, UNDERVOTES 4, TOTAL VOTES 303

**CITY OF WATAUGA, TEXAS
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
September 30, 2017**

Special Revenue Funds							
	WPDC Sales Tax Fund	Watauga Crime Control and Prevention Fund	Library Donation Fund	Municipal Court Security Fund	Municipal Court Technology Fund	Municipal Court Juvenile Case Manager Fund	Traffic Safety Fund
ASSETS							
Cash and cash equivalents	\$ 335,236	\$ 364,595	\$ 16,430	\$ -	\$ 67,588	\$ 57,916	\$ 638,033
Investments	366,799	685,212	16,655	15,444	58,500	69,401	-
Accounts receivable	120,094	240,913	194	70	144	171	-
Prepays and deposits	4,675	2,523	-	-	-	-	-
Total assets	<u>\$ 826,804</u>	<u>\$ 1,293,243</u>	<u>\$ 33,279</u>	<u>\$ 15,514</u>	<u>\$ 126,232</u>	<u>\$ 127,488</u>	<u>\$ 638,033</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 6,112	\$ 11,987	\$ -	\$ -	\$ -	\$ -	\$ 358,158
Accrued liabilities	10,696	48,126	144	1,397	-	685	8,958
Total liabilities	<u>16,808</u>	<u>60,113</u>	<u>144</u>	<u>1,397</u>	<u>-</u>	<u>685</u>	<u>367,116</u>
FUND BALANCES							
Non-spendable							
Prepaid items	4,675	2,523	-	-	-	-	-
Restricted							
Capital acquisitions and contractual obligations	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Culture and recreation	805,321	-	33,135	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	1,230,607	-	14,117	126,232	126,803	270,917
Total Fund Balances	<u>809,996</u>	<u>1,233,130</u>	<u>33,135</u>	<u>14,117</u>	<u>126,232</u>	<u>126,803</u>	<u>270,917</u>
Total Liabilities and Fund Balances	<u>\$ 826,804</u>	<u>\$ 1,293,243</u>	<u>\$ 33,279</u>	<u>\$ 15,514</u>	<u>\$ 126,232</u>	<u>\$ 127,488</u>	<u>\$ 638,033</u>

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO
MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 505. TYPE B CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 505.001. DEFINITION. In this chapter, "authorizing municipality" means the municipality that authorizes the creation of a Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.002. APPLICABILITY OF CHAPTER. This chapter applies only to:

(1) a municipality:

(A) that is located in a county with a population of 500,000 or more; and

(B) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality does not exceed 8.25 percent on the date of any election held under or made applicable to this chapter;

(2) a municipality:

(A) that has a population of 400,000 or more;

(B) that is located in more than one county; and

(C) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality, including taxes imposed under this chapter, does not exceed 8.25 percent; or

(3) a municipality to which Chapter 504 applies.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.003. AUTHORITY TO CREATE CORPORATION. (a) A municipality may authorize the creation under this subtitle of a Type B corporation.

(b) A municipality may not authorize the creation of more than one Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.004. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a Type B corporation:

(1) must state that the corporation is governed by this chapter; and

(2) may include in the corporation's name any word or phrase the authorizing municipality specifies.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.005. CORPORATION NOT SUBJECT TO CERTAIN PROVISIONS. Sections 501.203, 501.205, 501.251-501.254, 501.255(a) and (b), 501.256, and 501.257 do not apply to a corporation under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. GOVERNANCE OF CORPORATION

Sec. 505.051. BOARD OF DIRECTORS. (a) The board of directors of a Type B corporation consists of seven directors.

(b) A director is appointed by the governing body of the authorizing municipality for a two-year term.

(c) A director may be removed by the governing body of the authorizing municipality at any time without cause.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.052. RESTRICTION ON BOARD MEMBERSHIP. (a) Each director of a Type B corporation authorized to be created by a municipality with a population of 20,000 or more must be a resident of the municipality.

(b) Each director of a Type B corporation authorized to be created by a municipality with a population of less than 20,000 must:

- (1) be a resident of the municipality;
- (2) be a resident of the county in which the major part of the area of the municipality is located; or
- (3) reside:
 - (A) within 10 miles of the municipality's boundaries; and
 - (B) in a county bordering the county in which most of the area of the municipality is located.

(c) Three directors of a Type B corporation must be persons who are not employees, officers, or members of the governing body of the authorizing municipality.

(d) Notwithstanding Subsections (a)-(c), if a municipality terminates a Type A corporation's existence and authorizes the creation of a Type B corporation, a person serving as a director of the Type A corporation at the time of termination may serve on the board of directors of the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.053. OFFICERS. The board of directors of a Type B corporation shall appoint:

- (1) a president;
- (2) a secretary; and
- (3) other officers of the corporation the governing body of the authorizing municipality considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.054. QUORUM. A majority of the entire membership of the board of directors of a Type B corporation is a quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.055. LOCATION OF BOARD MEETINGS. (a) Except as provided by Subsection (b), the board of directors of a Type B corporation shall conduct all meetings within the boundaries of the authorizing municipality.

(b) If the authorizing municipality is located in a county with a population of less than 30,000, the board of directors of a Type B corporation may conduct a board meeting within the boundaries of the county.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 473 (H.B. 479), Sec. 2, eff. June 17, 2011.

Sec. 505.056. RESTRICTIONS ON REGISTERED AGENT AND OFFICE. (a) The registered agent of a Type B corporation must be an individual who is a resident of this state.

(b) The registered office of a Type B corporation must be located within the boundaries of the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 505.101. APPLICABILITY OF OTHER LAW; CONFLICTS. A Type B corporation has the powers granted by this chapter and by other chapters of this subtitle and is subject to the limitations of a corporation created under another provision of this subtitle. To the extent of a conflict between this chapter and another provision of this subtitle, this chapter prevails.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.102. CONTRACT WITH OTHER PRIVATE CORPORATION. A Type B corporation may contract with another private corporation to:

- (1) carry out an industrial development program or objective; or
- (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.103. LIMITATION ON USE OF REVENUES FOR PROMOTIONAL PURPOSES. A Type B corporation may spend not more than 10 percent of the corporate revenues for promotional purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.104. BOND REPAYMENT. (a) Bonds or other obligations that mature in 30 years or less and that are issued to pay the costs of projects of a type added to the definition of "project" by Subchapter D may be made payable from any source of funds available to the Type B corporation, including the proceeds of a sales and use tax imposed under this chapter.

(b) Bonds or other obligations that by their terms are payable from the tax proceeds:

(1) may not be paid wholly or partly from any property taxes imposed or to be imposed by the authorizing municipality; and

(2) are not a debt of and do not give rise to a claim for payment against the authorizing municipality, except as to sales and use tax revenue held by the municipality and required under this chapter to be delivered to the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.1041. APPRAISAL REQUIRED BEFORE PURCHASE OF PROPERTY WITH BOND PROCEEDS. A Type B corporation may not purchase property for a project wholly or partly with bond proceeds until the corporation obtains an independent appraisal of the property's market value.

Added by Acts 2011, 82nd Leg., R.S., Ch. 719 (H.B. 782), Sec. 2, eff. September 1, 2011.

Sec. 505.105. EMINENT DOMAIN. A Type B corporation may exercise the power of eminent domain only:

(1) on approval of the action by the governing body of the authorizing municipality; and

(2) in accordance with and subject to the laws applicable to the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.106. LIABILITY. (a) The following are not liable for damages arising from the performance of a governmental function of a Type B corporation or the authorizing municipality:

- (1) the corporation;
- (2) a director of the corporation;
- (3) the municipality;
- (4) a member of the governing body of the municipality; or
- (5) an employee of the corporation or municipality.

(b) For purposes of Chapter 101, Civil Practice and Remedies Code, a Type B corporation is a governmental unit and the corporation's actions are governmental functions.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. AUTHORIZED PROJECTS

Sec. 505.151. AUTHORIZED PROJECTS. In this chapter, "project" means land, buildings, equipment, facilities, expenditures, and improvements included in the definition of "project" under Chapter 501, including:

- (1) job training as provided by Section 501.162; and
- (2) recycling facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.152. PROJECTS RELATED TO RECREATIONAL OR COMMUNITY FACILITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.153. PROJECTS RELATED TO AFFORDABLE HOUSING. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the promotion of development and expansion of affordable housing, as described by 42 U.S.C. Section 12745.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.154. PROJECTS RELATED TO WATER SUPPLY FACILITIES AND WATER CONSERVATION PROGRAMS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for:

(1) the development or improvement of water supply facilities, including dams, transmission lines, well field developments, and other water supply alternatives; or

(2) the development and institution of water conservation programs, including incentives to install water-saving plumbing fixtures, educational programs, brush control programs, and programs to replace malfunctioning or leaking water lines and other water facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.155. PROJECTS RELATED TO BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to promote or develop new or expanded business enterprises that create or retain primary jobs, including:

(1) a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements, and any improvements or facilities related to a project described by this subdivision; and

(2) any other project that the board of directors in the board's discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs.

. Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.156. PROJECTS RELATED TO BUSINESS ENTERPRISES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development, retention, or expansion of business enterprises if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that has not for each of the preceding two fiscal years received more than \$50,000 in revenues from sales and use taxes imposed under this chapter; and

(2) the governing body of which has authorized the project by adopting a resolution only after giving the resolution at least two separate readings conducted at least one week apart.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.1561. PROJECTS RELATED TO AIRPORT FACILITIES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development or expansion of airport or railport facilities, including hangars, maintenance and repair facilities, cargo facilities, and related infrastructure located on or adjacent to an airport or railport facility, if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that enters into a development agreement with an entity in which the entity acquires a leasehold or other possessory interest from the corporation and is authorized to sublease the entity's interest for other projects authorized by Sections 505.151 through 505.156; and

(2) the governing body of which has authorized the development agreement by adopting a resolution at a meeting called as authorized by law.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.014(a), eff. September 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 150 (S.B. 2052), Sec. 2, eff. September 1, 2009.

Sec. 505.157. PROJECTS RELATED TO BUSINESS ENTERPRISES IN LANDLOCKED COMMUNITIES. (a) In this section, "landlocked community" means a municipality that:

(1) is wholly or partly located in a county with a population of two million or more; and

(2) has within its municipal limits and extraterritorial jurisdiction less than 100 acres that can be used for the development of manufacturing or industrial facilities in accordance with the municipality's zoning laws or land use restrictions.

(b) For a landlocked community that authorizes or has authorized the creation of a Type B corporation, "project" also includes expenditures found by the board of directors to be required for the promotion of new or expanded business enterprises in the landlocked community.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES. (a) For a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, "project" also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development.

(b) A Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.159. HEARING REQUIRED TO UNDERTAKE PROJECT. (a) Except as provided by Subsection (b), a Type B corporation shall hold at least one public hearing on a proposed project before spending money to undertake the project.

(b) A Type B corporation the creation of which was authorized by a municipality with a population of less than 20,000 is not required to hold

a public hearing under this section if the proposed project is defined by Subchapter C, Chapter 501.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.015(a), eff. September 1, 2009.

Sec. 505.160. ELECTION REQUIRED FOR PROJECT; PETITION. (a) A Type B corporation may undertake a project under this chapter unless, not later than the 60th day after the date notice of the specific project or general type of project is first published, the governing body of the authorizing municipality receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the specific project or general type of project is undertaken.

(b) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (a) if the voters of the municipality have previously approved the undertaking of the specific project or general type of project:

(1) at an election ordered for that purpose by the governing body of the municipality; or

(2) in conjunction with another election required under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.161. PUBLIC PURPOSE DESIGNATION; EXEMPTION FROM TAXATION.

(a) The legislature finds for all constitutional and statutory purposes that:

(1) a project of the type added to the definition of "project" by this subchapter is owned, used, and held for a public purpose for and on behalf of the municipality that authorized the creation of the Type B corporation; and

(2) except as otherwise provided by this section, Section 501.160 of this subtitle and Section 25.07(a), Tax Code, do not apply to a leasehold or other possessory interest granted by a Type B corporation during the period the corporation owns projects on behalf of the authorizing municipality.

(b) A project is exempt from ad valorem taxation under Section 11.11, Tax Code, for the period described by Subsection (a)(2) of this section.

(c) This subsection applies only if the voters of the authorizing municipality of a Type B corporation have not approved the adoption of a sales and use tax for the benefit of the corporation under Section 505.251. An ownership, leasehold, or other possessory interest of a person other than the corporation in real property constituting a project of the corporation described by this section:

(1) is subject to ad valorem taxation under Section 25.07(a), Tax Code; or

(2) if the interest was created under an agreement entered into by the corporation before September 1, 1999, is covered by the provisions of the law codified by this section that govern ad valorem taxation of the ownership, leasehold, or other possessory interest that were in effect on the date the agreement was executed.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER E. SPORTS VENUE PROJECTS AND RELATED INFRASTRUCTURE

Sec. 505.201. DEFINITIONS. In this subchapter:

(1) "Related infrastructure" has the meaning assigned by Section 334.001.

(2) "Sports venue" means an arena, coliseum, stadium, or other type of area or facility that is primarily used or is planned for primary use for one or more professional or amateur sports or athletics events and for which a fee is charged or is planned to be charged for admission to the sports or athletics events, other than occasional civic, charitable, or promotional events. The term does not include an arena, coliseum, stadium, or other type of area or facility that is or will be owned and operated by a state-supported institution of higher education.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.202. ELECTION: USE OF TAX PROCEEDS FOR SPORTS VENUE PROJECTS. (a) An authorizing municipality may submit to the voters of the municipality a ballot proposition that authorizes the Type B corporation to use the sales and use tax, including any amount previously authorized and collected, for a specific sports venue project, including related

· infrastructure, or for a specific category of sports venue projects, including related infrastructure.

(b) The project or category of projects described by Subsection (a) must be clearly described on the ballot so that a voter is able to discern the limits of the specific project or category of projects authorized by the proposition. If maintenance and operating costs of an otherwise authorized facility are to be paid from the sales and use tax, the ballot language must clearly state that fact.

(c) The authorizing municipality may submit the ballot proposition at:

(1) an election held under another provision of this subtitle, including the election at which the proposition to initially approve the adoption of a sales and use tax for the benefit of the Type B corporation is submitted; or

(2) a separate election to be held on a uniform election date.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.203. PUBLIC HEARING PRECEDING ELECTION. Before an election may be held under Section 505.202, a public hearing must be held in the authorizing municipality to inform the municipality's residents of the cost and impact of the project or category of projects. At least 30 days before the date set for the hearing, notice of the date, time, place, and subject of the hearing must be published each week until the date of the hearing in a newspaper with general circulation in the municipality in which the project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.204. LIMITATION ON SUBSEQUENT ELECTION. If a majority of the voters voting on the issue do not approve a specific sports venue project or a specific category of sports venue projects at an election under Section 505.202, another election concerning the same project or category of projects may not be held before the first anniversary of the date of the most recent election disapproving the project or category of projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.205. SUBSEQUENT APPROVAL OF ADDITIONAL PROJECTS. Prior approval of a specific sports venue project at an election or completion of a specific sports venue project approved at an election does not prevent an authorizing municipality from seeking voter approval of an additional project or category of projects under this subchapter to be funded from the same sales and use tax that is used to fund the previously approved sports venue project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.206. EFFECT OF SUBCHAPTER ON ELECTION AUTHORITY. This subchapter does not affect an authorizing municipality's authority to call an election under this chapter to impose a sales and use tax for any purpose authorized by this chapter after the sales and use tax described by this subchapter is, in accordance with Section 505.258, no longer collected.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER F. SALES AND USE TAX

Sec. 505.251. TAX AUTHORIZED. The governing body of the authorizing municipality by ordinance may adopt a sales and use tax for the benefit of a Type B corporation if the tax is approved by a majority of the voters of the municipality voting at an election held for that purpose in accordance with Chapter 321, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.252. SALES TAX. (a) If the authorizing municipality adopts the tax under Section 505.251, a tax is imposed on the receipts from the sale at retail of taxable items within the municipality at the rate approved at the election.

(b) The rate of a tax adopted under this chapter may be any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a

combined rate that exceeds the maximum combined rate prescribed by Section 505.256(a).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 9, eff. September 1, 2015.

Sec. 505.253. USE TAX. (a) If the authorizing municipality adopts the tax under Section 505.251, an excise tax is imposed on the use, storage, or other consumption within the municipality of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective within the municipality.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the sales and use tax and is applied to the sale price of the tangible personal property.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.254. SPECIFICATION OF TAX RATE ON BALLOT. In an election held to adopt the sales and use tax under this chapter, the ballot proposition must specify the rate of the tax to be adopted.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.255. ADOPTION OF TAX AT ELECTION TO REDUCE OR ABOLISH TAX FOR TYPE A CORPORATION. A municipality that holds an election to reduce the rate of or abolish a tax imposed under Chapter 504 may in the same proposition or in a separate proposition on the same ballot adopt a tax under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.256. APPLICABILITY OF TAX CODE. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, collection, and remittance of the sales and use tax, except as inconsistent with this chapter. An authorizing municipality may not adopt a rate under this

chapter that, when added to the rates of all other sales and use taxes imposed by the authorizing municipality and other political subdivisions of this state having territory in the authorizing municipality, would result in a combined rate exceeding two percent at any location in the municipality.

(b) Except as provided by this subsection, the tax imposed under this chapter takes effect as provided by Section 321.102(a), Tax Code. If an election is held under this chapter at the same time an election is held to impose or change the rate of the additional municipal sales and use tax, the tax under this chapter and the imposition or change in rate of the additional municipal sales and use tax take effect as provided by Section 321.102(b), Tax Code.

(c) After the effective date of the taxes imposed under this chapter, the adoption of a sales and use tax or the attempted adoption of a sales and use tax by the authorizing municipality or another taxing jurisdiction having territory in the municipality does not impair the taxes imposed under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 10, eff. September 1, 2015.

Sec. 505.2565. LIMITATION ON DURATION OF TAX. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the period for imposition of a sales and use tax.

(b) An authorizing municipality that has imposed a tax for a limited time under this section may extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is approved by a majority of the voters of the municipality voting at an election held for that purpose in the same manner as an election held under Section 504.257.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff. September 1, 2009.

Sec. 505.2566. ELECTION TO REDUCE OR INCREASE TAX RATE. (a) An authorizing municipality that has imposed a sales and use tax under this chapter may, in the same manner and by the same procedure as the municipality imposed the tax, reduce or increase the tax rate by a majority

of the voters of the municipality voting at an election held for that purpose.

(b) On petition of 10 percent or more of the registered voters of the authorizing municipality requesting an election to reduce or increase the tax rate under this chapter, the governing body of the municipality shall order an election on the issue.

(c) The tax rate may be reduced or increased to any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 505.256(a).

Added by Acts 2017, 85th Leg., R.S., Ch. 882 (H.B. 3045), Sec. 1, eff. June 15, 2017.

Sec. 505.257. REDUCTION OF TAX WITHIN REGIONAL TRANSPORTATION AUTHORITY. Notwithstanding any other provision of this chapter, a tax imposed under this chapter by an authorizing municipality that is located within the territorial limits of a regional transportation authority and that has been added to the territory of the authority under Section 452.6025, Transportation Code, is subject to reduction in the manner prescribed by Section 452.6025, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.2575. LIMITED SALES AND USE TAX FOR SPECIFIC PROJECT. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the use of the sales and use tax to a specific project.

(b) A Type B corporation created to perform a specific project as provided by this section may retain its corporate existence and perform any other project approved by the voters of the authorizing municipality at an election held for that purpose in the same manner as Section 504.260 provides for an election held under Section 504.251. Before spending money to undertake a project, a Type B corporation shall hold a public hearing as otherwise provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff. September 1, 2009.

Sec. 505.258. CESSATION OF COLLECTION OF TAXES. A sales and use tax imposed under this chapter may not be collected after the last day of the first calendar quarter that occurs after the Type B corporation notifies the comptroller that:

(1) all bonds or other obligations of the corporation, including any refunding bonds, payable wholly or partly from the proceeds of the sales and use tax imposed under this chapter, have been paid in full; or

(2) the total amount, exclusive of guaranteed interest, necessary to pay in full the bonds and other obligations has been set aside in a trust account dedicated to the payment of the bonds and other obligations.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.259. ELECTION REQUIREMENT FOR CERTAIN MUNICIPALITIES. For a tax under this subchapter at a rate that does not exceed one-half of one percent, the election requirement under Section 505.251 is satisfied and another election is not required if the voters of the authorizing municipality approved the imposition of an additional one-half cent sales and use tax at an election held before March 28, 1991, under an ordinance calling the election that:

(1) was published in a newspaper of general circulation in the municipality at least 14 days before the date of the election; and

(2) expressly stated that the election was being held in anticipation of the enactment of enabling and implementing legislation without further elections.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 11, eff. September 1, 2015.

SUBCHAPTER G. USE OF TAX PROCEEDS

Sec. 505.301. DELIVERY OF TAX PROCEEDS. On the authorizing municipality's receipt from the comptroller of the proceeds of the sales and use tax imposed under this chapter, the authorizing municipality shall deliver the proceeds to the Type B corporation.

'Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.302. PAYMENT OF PROJECT COSTS, BONDS, OR OTHER OBLIGATIONS. The proceeds of the sales and use tax imposed under this chapter may be used to:

- (1) pay the costs of projects of the types added to the definition of "project" by Subchapter D; or
- (2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the Type B corporation to:
 - (A) pay the costs of the projects; or
 - (B) refund bonds or other obligations issued to pay the costs of projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.303. PAYMENT OF MAINTENANCE AND OPERATING COSTS; ELECTION.

(a) The costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project.

(b) The proceeds of taxes may be used to pay the maintenance and operating costs of a project, unless not later than the 60th day after the date notice of the specific use of the tax proceeds is first published, the governing body of the authorizing municipality of the Type B corporation undertaking the project receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the tax proceeds may be used to pay the maintenance and operating costs of a project.

(c) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (b) if the voters of the municipality have previously approved at an election ordered for that purpose by the governing body or in conjunction with another election required under this chapter that:

- (1) the costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project; and
- (2) the tax proceeds may be used to pay the maintenance and operating costs of a project.

(d) An authorizing municipality is not required to hold an election under this section if the municipality:

(1) is located in a county with a population of more than 1.3 million; and

(2) has held before February 1, 1993, an election under this chapter at which the additional sales tax was approved.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.304. PAYMENT FOR CERTAIN WATER-RELATED PROJECTS: ELECTION REQUIRED. (a) A Type B corporation may not use proceeds from the sales and use tax to undertake a project described by Section 505.154 unless the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the municipality for that purpose.

(b) The ballot in an election held under this section shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for infrastructure relating to _____ (insert water supply facilities or water conservation programs, as appropriate)."

(c) An election held under this section may be authorized by the governing body of an authorizing municipality subsequent to an earlier election authorized under Section 505.251.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.305. PAYMENT FOR CLEANUP OF CONTAMINATED PROPERTY; ELECTION.

(a) The economic development office, with the assistance of the Texas Commission on Environmental Quality, may encourage a Type B corporation to use proceeds from the sales and use tax imposed under this chapter for the cleanup of contaminated property.

(b) Notwithstanding any other provision of this chapter, a Type B corporation may use proceeds from the sales and use tax for the cleanup of contaminated property only if the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the authorizing municipality for that purpose. The ballot in an election held under this subsection shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for the cleanup of contaminated property."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER H. TERMINATION OF CORPORATION

Sec. 505.351. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a Type B corporation created on or after September 1, 1999.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.352. ELECTION TO TERMINATE EXISTENCE OF CORPORATION ON PETITION. (a) The governing body of an authorizing municipality shall order an election on the termination of the existence of the Type B corporation on receipt of a petition requesting the election that is signed by at least 10 percent of the registered voters of the municipality.

(b) The authorizing municipality shall hold the election on the first available uniform election date that occurs after the time required by Section 3.005, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.353. BALLOT. The ballot for an election held under Section 505.352 shall be printed to permit voting for or against the proposition: "Termination of the _____ (name of corporation)."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.354. TERMINATION OF EXISTENCE OF CORPORATION. (a) If a majority of the votes cast at an election held under Section 505.352 approve the termination, the Type B corporation shall:

(1) continue operations only as necessary to meet the obligations the corporation incurred before the date of the election, including paying the principal of and interest on the corporation's bonds; and

(2) liquidate the corporation's assets and apply the proceeds to satisfy the corporation's obligations, to the extent practicable.

(b) After the Type B corporation has satisfied all of the corporation's obligations, any remaining assets of the corporation shall be

transferred to the authorizing municipality, and the existence of the corporation is terminated.

(c) The authorizing municipality shall promptly notify the comptroller and the secretary of state of the date the existence of a Type B corporation is terminated under this subchapter.

(d) A tax imposed under this chapter may not be collected after the last day of the first calendar quarter that begins after the authorizing municipality provides notice under Subsection (c).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.355. ELECTION REJECTING TERMINATION. If less than a majority of the votes cast at an election held under Section 505.352 approve the termination, Section 505.354 has no effect.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO
MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 501. PROVISIONS GOVERNING DEVELOPMENT CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 501.001. SHORT TITLE. This subtitle may be cited as the Development Corporation Act.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.002. DEFINITIONS. In this subtitle:

- (1) "Authorizing unit" means the unit that authorizes the creation of a corporation under this subtitle.
- (2) "Board of directors" means the board of directors of a corporation.
- (3) "Bonds" includes evidences of indebtedness, including bonds and notes.
- (4) "Corporate headquarters facilities" means buildings proposed for construction or occupancy as the principal office for a business enterprise's administrative and management services.
- (5) "Corporation" means a corporation organized under this subtitle.
- (6) "Cost," with respect to a project, has the meaning assigned by Section 501.152.
- (7) "County alliance" means two or more counties that jointly authorize the creation of a corporation under this subtitle.
- (8) "District" means a conservation and reclamation district established under Section 59, Article XVI, Texas Constitution.
- (9) "Economic development office" means the Texas Economic Development and Tourism Office within the office of the governor.
- (10) "Governing body" means the commissioners court of a county or the governing body of a municipality or district.
- (11) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(12) "Primary job" means:

(A) a job that is:

(i) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and

(ii) included in one of the following sectors of the North American Industry Classification System (NAICS):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
51 (excluding 512131 and 512132)	Information (excluding motion picture theaters and drive-in motion picture theaters)
523-525	Securities, Commodity Contracts, and Other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
5413, 5415, 5416, 5417, and 5419	Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises
56142	Telephone Call Centers
922140	Correctional Institutions; or

(B) a job that is included in North American Industry Classification System (NAICS) sector number 928110, National Security, for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

(13) "Project" means a project specified as such under Subchapter C.

(14) "Resolution" means a resolution, order, ordinance, or other official action by the governing body of a unit.

(15) "Type A corporation" means a corporation governed by Chapter 504.

(16) "Type B corporation" means a corporation governed by Chapter 505.

(17) "Unit" means a municipality, county, or district that may create and use a corporation under this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.003. WHO MAY BE USER. The following may be a user under this subtitle:

- (1) an individual, a partnership, a corporation, or any other private entity organized for profit or not for profit; or
- (2) a municipality, county, district, other political subdivision, public entity, or agency of this state or the federal government.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.004. LEGISLATIVE FINDINGS; CONSTRUCTION OF SUBTITLE. (a) The legislature finds that:

- (1) the present and prospective right to gainful employment and the general welfare of the people of this state require as a public purpose the promotion and development of new and expanded business enterprises and of job training;

- (2) the existence, development, and expansion of business, commerce, industry, higher education, and job training are essential to the economic growth of this state and to the full employment, welfare, and prosperity of residents of this state;

- (3) the assistance provided by corporations in promoting higher education opportunities encourages and fosters the development and diversification of the economy of this state and the elimination of unemployment and underemployment in this state;

- (4) the means authorized by this subtitle and the assistance provided by this subtitle, especially with respect to financing, are in the public interest and serve a public purpose of this state in promoting the welfare of the residents of this state economically by securing and retaining business enterprises and as a result maintaining a higher level of employment, economic activity, and stability;

- (5) community industrial development corporations in this state have invested substantial money in successful industrial development projects and have experienced difficulty in undertaking additional industrial development projects because of the partial inadequacy of the community industrial development corporations' money or money potentially available from local subscription sources and the limitations of local financial institutions in providing additional and sufficiently large first mortgage loans; and

(6) communities in this state have been at a critical disadvantage in competing with communities in other states for the location or expansion of business enterprises because of the availability and prevalent use in all other states of financing and other special incentives, and, for that reason, the issuance of revenue bonds under this subtitle by a corporation on behalf of political subdivisions of this state for the promotion and development of new and expanded business enterprises to provide and encourage employment and the public welfare is in the public interest and is a public purpose.

(b) This subtitle shall be construed in conformity with the intention of the legislature expressed in this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.005. ADOPTION OF ALTERNATE PROCEDURE. If a court holds that a procedure under this subtitle violates the federal or state constitution, a corporation by resolution may provide an alternate procedure that conforms to the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.006. USE OF CORPORATION TO FINANCE PROJECT. A unit may use a corporation to issue bonds on the unit's behalf to finance the cost of a project, including a project in a federally designated empowerment zone or enterprise community or in an enterprise zone designated under Chapter 2303, Government Code, to promote and develop new and expanded business enterprises for the promotion and encouragement of employment and the public welfare.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.007. LENDING CREDIT OR GRANTING PUBLIC MONEY. (a) Except as provided by Subsection (b), a unit may not lend its credit or grant public money or another thing of value in aid of a corporation.

(b) A municipality may grant public money to a corporation under a contract authorized by Section 380.002.

(c) The grants, loans, expenditures, and tax exemptions authorized by this subtitle in connection with a project and authorized by a corporation

in accordance with this subtitle constitute the making of loans or grants of public money or constitute other actions authorized by Section 52-a, Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.011(a), eff. September 1, 2009.

Sec. 501.008. LIMITATION ON FINANCIAL OBLIGATION. A corporation may not incur a financial obligation that cannot be paid from:

- (1) bond proceeds;
- (2) revenue realized from the lease or sale of a project;
- (3) revenue realized from a loan made by the corporation to wholly or partly finance or refinance a project; or
- (4) money granted under a contract with a municipality under Section 380.002.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.009. POLICE POWERS NOT AFFECTED. This subtitle does not deprive this state or a governmental subdivision of this state of its police powers over a corporation's property and does not impair any police power over the property that is otherwise provided by law to any official or agency of this state or its governmental subdivisions.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.010. DELEGATION OF UNIT'S SOVEREIGN POWERS PROHIBITED. A unit may not delegate to a corporation any of the unit's attributes of sovereignty, including the power to tax, the power of eminent domain, and the police power.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.011. REFERENCE TO ARTICLES OF INCORPORATION OR CERTIFICATE OF FORMATION. (a) With respect to a corporation created under the

Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) before January 1, 2006, a reference in any law of this state or in the corporation's governing documents to "articles of incorporation" means, for purposes of this subtitle, the corporation's certificate of formation.

(b) With respect to a corporation that is created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) before January 1, 2006, and continues to operate under articles of incorporation, a reference in this subtitle or any other law of this state or in the corporation's governing documents to "certificate of formation" means the corporation's articles of incorporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. CREATION AND OPERATION OF CORPORATION

Sec. 501.051. AUTHORITY TO CREATE. (a) Three or more individuals who are qualified voters of a unit may file with the unit's governing body a written application requesting the unit to authorize creation of a corporation to act on behalf of the unit. The governing body may not charge a filing fee for the application.

(b) A corporation may be created only if the governing body of the unit by resolution:

(1) determines that the creation of the corporation is advisable; and

(2) approves the certificate of formation proposed to be used in organizing the corporation.

(c) A unit may authorize the creation of one or more corporations if the resolution authorizing the creation of each corporation specifies the public purpose of the unit to be furthered by the corporation. The specified public purpose must be limited to the promotion and development under this subtitle of enterprises to promote and encourage employment and the public welfare.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.052. NONMEMBER, NONSTOCK FORM OF CORPORATION. A corporation is a nonmember, nonstock corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.053. CORPORATION NONPROFIT; NET EARNINGS. (a) A corporation is nonprofit, and the corporation's net earnings remaining after payment of its expenses may not benefit an individual, firm, or corporation, except as provided by Subsection (b).

(b) If the board of directors determines that sufficient provision has been made for the full payment of the corporation's expenses, bonds, and other obligations, any net earnings of the corporation subsequently accruing shall be paid to the corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.054. GENERAL POWERS, PRIVILEGES, AND FUNCTIONS. (a) A corporation has the powers, privileges, and functions of a nonprofit corporation incorporated under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or formed under the Texas Nonprofit Corporation Law, as described by Section 1.008, Business Organizations Code. To the extent that the provisions governing powers, privileges, and functions of a nonprofit corporation under those laws are in conflict with or inconsistent with provisions of this subtitle governing powers, privileges, and functions of a nonprofit corporation, the provisions of this subtitle prevail.

(b) A corporation:

(1) has all powers incidental to or necessary for the performance of the powers provided by Sections 501.059, 501.060, 501.064, 501.153-501.155, 501.159, 501.201(a), 501.208, 501.209, 501.214, and 501.402; and

(2) with respect to a project, may exercise all powers necessary or appropriate to effect a purpose for which the corporation is organized, subject to the control of the governing body of the corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.055. CONSTITUTED AUTHORITY OR INSTRUMENTALITY. (a) A corporation is a constituted authority and an instrumentality, within the meaning of the United States Department of the Treasury regulations and the

Internal Revenue Service rulings adopted under Section 103, Internal Revenue Code of 1986, as amended, including regulations and rulings adopted under Section 103, Internal Revenue Code of 1954, and may act on behalf of the corporation's authorizing unit for the specific public purpose authorized by the unit.

(b) A corporation is not a political subdivision or a political corporation for purposes of the laws of this state, including Section 52, Article III, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.056. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a corporation must state:

- (1) the name of the corporation;
- (2) that the corporation is a nonprofit corporation;
- (3) the duration of the corporation, which may be perpetual;
- (4) the specific purpose for which the corporation is organized and may issue bonds on behalf of the unit;
- (5) that the corporation has no members and is a nonstock corporation;
- (6) any provision consistent with law for the regulation of the corporation's internal affairs, including any provision required or permitted by this subtitle to be stated in the bylaws;
- (7) the street address of the corporation's initial registered office and the name of the corporation's initial registered agent at that address;
- (8) the number of directors of the initial board of directors and the name and address of each initial director;
- (9) the name and street address of each organizer; and
- (10) that the unit has:
 - (A) by resolution specifically authorized the corporation to act on the unit's behalf to further the public purpose stated in the resolution and the certificate of formation; and
 - (B) approved the certificate of formation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.057. FILING OF CERTIFICATE OF FORMATION AND DELIVERY OF CERTIFICATE EVIDENCING FILING. (a) If the unit's governing body adopts a

resolution under Section 501.051, the certificate of formation may be filed as provided by this section.

(b) Three originals of the certificate of formation shall be delivered to the secretary of state. If the secretary of state determines that the certificate of formation conforms to this subchapter, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original certificate of formation;

(2) file one of the original certificates of formation in the secretary of state's office;

(3) issue two certificates evidencing the filing of the certificate of formation;

(4) attach to each certificate evidencing the filing of the certificate of formation an original of the certificate of formation; and

(5) deliver a certificate evidencing the filing of the certificate of formation and the attached certificate of formation to:

(A) the organizers or the organizers' representatives; and

(B) the governing body of:

(i) the corporation's authorizing unit; or

(ii) any county in the county alliance that authorized the creation of the corporation, for a county alliance corporation.

(c) The governing body of a county to which a certificate evidencing the filing of the certificate of formation and the attached certificate of formation are delivered under Subsection (b) (5) (B) (ii) shall provide photocopies of the certificate evidencing the filing of the certificate of formation and the attached certificate of formation to each other member of the county alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.058. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING.

(a) A corporation's existence begins when the certificate evidencing the filing of its certificate of formation is issued.

(b) After the issuance of the certificate evidencing the filing of the certificate of formation, the formation of the corporation may not be contested for any reason.

(c) A certificate evidencing the filing of the certificate of formation is conclusive evidence that:

- (1) the organizers and the unit have performed all conditions precedent for the formation of the corporation; and
- (2) the corporation is formed under this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.059. CORPORATE SEAL. A corporation may have a corporate seal and with respect to a project may impress, affix, or otherwise reproduce the seal or a facsimile of the seal on an instrument required to be executed by the corporation's appropriate officers.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.060. MAY SUE AND BE SUED. With respect to a project, a corporation may sue, be sued, complain, and defend in the corporation's name.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.061. CORPORATION'S ORGANIZATION NOT RESTRICTED. Except as provided by this subtitle, no proceeding, notice, or approval is required for the organization of a corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.062. BOARD OF DIRECTORS. (a) All of the powers of a corporation are vested in a board of directors consisting of three or more directors appointed by the governing body of the corporation's authorizing unit.

(b) A director serves for a term of not more than six years.

(c) The governing body of the corporation's authorizing unit may remove a director for cause or at will.

(d) A director serves without compensation, but is entitled to reimbursement for actual expenses incurred in the performance of the director's duties under this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.063. ORGANIZATIONAL MEETING. (a) After issuance of the certificate evidencing the filing of the certificate of formation, the board of directors named in the certificate of formation shall hold an organizational meeting in this state to adopt bylaws and elect officers and for other purposes.

(b) Not later than the third day before the date of the meeting, the organizers who call the meeting shall give notice by mail of the time and place of the meeting to each director named in the certificate of formation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.064. BYLAWS. (a) A corporation may adopt and amend bylaws for the administration and regulation of the corporation's affairs.

(b) The board of directors shall adopt a corporation's initial bylaws.

(c) The bylaws and each amendment of the bylaws must:

(1) be consistent with state law and with the certificate of formation of the corporation; and

(2) be approved by resolution of the governing body of the corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.065. OFFICERS. (a) A corporation has the following officers:

(1) a president;

(2) at least one vice president;

(3) a secretary;

(4) a treasurer; and

(5) other officers or assistant officers considered necessary.

(b) An officer of the corporation is elected or appointed at the time, in the manner, and for the term prescribed by the certificate of formation or bylaws, except that an officer's term may not exceed three years. In the absence of provisions in the certificate of formation or the

bylaws prescribing the selection or terms of officers, the board of directors shall annually elect or appoint officers.

(c) A person may hold more than one office, except that the same person may not hold the offices of president and secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.066. INDEMNIFICATION. (a) In this section, "director or officer" includes a former director or officer.

(b) Except as provided by Subsection (d), a corporation may indemnify a director or officer of the corporation for necessary expenses and costs, including attorney's fees, actually incurred by the director or officer in connection with a claim asserted against the director or officer, by action in court or another forum, by reason of the director's or officer's being or having been a director or officer of the corporation.

(c) Except as provided by Subsection (d), if a corporation has not fully indemnified a director or officer under Subsection (b), the court in a proceeding in which a claim is asserted against the director or officer or a court having jurisdiction over an action brought by the director or officer on a claim for indemnity may assess indemnity against the corporation or the corporation's receiver or trustee. The assessment must equal the amount that the director or officer paid to satisfy the judgment or compromise the claim, including attorney's fees and not including any amount paid to the corporation, to the extent that:

- (1) the amount paid was actually and necessarily incurred; and
- (2) the court considers the amount paid reasonable and equitable.

(d) A corporation may not indemnify a director or officer for a matter in which the director or officer is guilty of negligence or misconduct. A court may assess indemnity against the corporation only if the court finds that the director or officer was not guilty of negligence or misconduct in the matter for which indemnity is sought.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.067. INSURANCE AND BENEFITS. (a) Notwithstanding any law to the contrary and with the consent of the corporation's authorizing unit, a corporation may obtain:

- (1) health benefits coverage, liability coverage, workers' compensation coverage, and property coverage under the authorizing unit's

insurance policies, through self-funded coverage, or under coverage provided under an interlocal agreement with a political subdivision; or

(2) retirement benefits under a retirement program the authorizing unit participates in or operates.

(b) Health benefits coverage may be extended to the corporation's directors and employees, and to the dependents of the directors and employees.

(c) Workers' compensation benefits may be extended to the corporation's directors, employees, and volunteers.

(d) Liability coverage may be extended to protect the corporation and the corporation's directors and employees.

(e) Retirement benefits may be extended to the corporation's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.068. BOARD MEETINGS; NOTICE OF MEETING. (a) A board of directors may hold a regular meeting in this state with or without notice as prescribed by the corporation's bylaws.

(b) A board of directors may hold a special meeting with notice as prescribed by the corporation's bylaws.

(c) A director's attendance at a board meeting constitutes a waiver of notice of the meeting, unless the director attends the meeting for the express purpose of objecting to the transaction of any business at the meeting because the meeting has not been lawfully called or convened.

(d) Unless required by the corporation's bylaws, notice or waiver of notice of a board meeting is not required to specify the business to be transacted at the meeting or the purpose of the meeting.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.069. WAIVER OF NOTICE. If a notice is required to be given to a director of a corporation under this subtitle or the corporation's certificate of formation or bylaws, a written waiver of the notice signed by the person entitled to the notice is equivalent to giving the required notice. The waiver may be given before or after the time that would have been stated in the notice.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.070. ACTION OF BOARD; QUORUM. (a) A quorum of a board of directors is the lesser of:

(1) a majority of the number of directors:

(A) established by the corporation's bylaws; or

(B) stated in the corporation's certificate of formation, if the bylaws do not establish the number of directors; or

(2) the number of directors, not less than three, established as a quorum by the certificate of formation or bylaws.

(b) The act of a majority of the directors present at a meeting at which a quorum is present is an act of the board of directors, unless the act of a larger number is required by the certificate of formation or bylaws of the corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.071. ACTION WITHOUT MEETING. (a) An action that may be taken at a meeting of a board of directors, including an action required by this subtitle to be taken at a meeting, may be taken without a meeting if each director signs a written consent providing the action to be taken.

(b) The consent has the same effect as a unanimous vote and may be stated as such in a document filed with the secretary of state under this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.072. OPEN MEETINGS AND PUBLIC INFORMATION. A board of directors is subject to the open meetings law, Chapter 551, Government Code, and the public information law, Chapter 552, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.073. SUPERVISION BY AUTHORIZING UNIT. (a) The corporation's authorizing unit will approve all programs and expenditures

of a corporation and annually review any financial statements of the corporation.

(b) A corporation's authorizing unit is entitled to access to the corporation's books and records at all times.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.074. PURCHASING. A corporation may use the reverse auction procedure defined by Section 2155.062(d), Government Code, for purchasing.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.075. EXEMPTION FROM TAXATION. (a) The activities of a corporation affect all the residents of the corporation's authorizing unit by the corporation's assuming to a material extent what otherwise might be an obligation or duty of the authorizing unit, and therefore the corporation is an institution of purely public charity within the tax exemption of Section 2, Article VIII, Texas Constitution.

(b) A corporation is exempt from the tax imposed by Chapter 171, Tax Code, only if the corporation is exempted by that chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER C. AUTHORIZED PROJECTS

Sec. 501.101. PROJECTS RELATED TO CREATION OR RETENTION OF PRIMARY JOBS. In this subtitle, "project" includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are:

- (1) for the creation or retention of primary jobs; and
- (2) found by the board of directors to be required or suitable for the development, retention, or expansion of:
 - (A) manufacturing and industrial facilities;
 - (B) research and development facilities;
 - (C) military facilities, including closed or realigned military bases;
 - (D) transportation facilities, including airports, hangars, railports, rail switching facilities, maintenance and repair facilities,

cargo facilities, related infrastructure located on or adjacent to an airport or railport facility, marine ports, inland ports, mass commuting facilities, and parking facilities;

(E) sewage or solid waste disposal facilities;

(F) recycling facilities;

(G) air or water pollution control facilities;

(H) facilities for furnishing water to the public;

(I) distribution centers;

(J) small warehouse facilities capable of serving as decentralized storage and distribution centers;

(K) primary job training facilities for use by institutions of higher education; or

(L) regional or national corporate headquarters facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.012(a), eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 150 (S.B. 2052), Sec. 1, eff. September 1, 2009.

Sec. 501.102. PROJECTS RELATED TO CERTAIN JOB TRAINING. In this subtitle, "project" includes job training required or suitable for the promotion of development and expansion of business enterprises and other enterprises described by this subtitle, as provided by Section 501.162.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.103. CERTAIN INFRASTRUCTURE IMPROVEMENT PROJECTS. In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to:

(1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements;

(2) telecommunications and Internet improvements; or

(3) beach remediation along the Gulf of Mexico.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.104. PROJECTS RELATED TO CERTAIN MILITARY BASES OR MISSIONS. In this subtitle, "project" includes the infrastructure, improvements, land acquisition, buildings, or expenditures that:

(1) are for the creation or retention of primary jobs or jobs that are included in North American Industry Classification System (NAICS) sector number 926120, Regulation and Administration of Transportation Programs, for the corresponding index entry for Coast Guard (except the Coast Guard Academy); and

(2) are found by the board of directors to be required or suitable for:

(A) promoting or supporting a military base in active use to prevent the possible future closure or realignment of the base;

(B) attracting new military missions to a military base in active use; or

(C) redeveloping a military base that has been closed or realigned, including a military base closed or realigned according to the recommendation of the Defense Base Closure and Realignment Commission under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.105. CAREER CENTER PROJECTS OUTSIDE OF JUNIOR COLLEGE DISTRICT. In this subtitle, "project" includes the land, buildings, equipment, facilities, improvements, and expenditures found by the board of directors to be required or suitable for use for a career center, if the area to be benefited by the career center is not located in the taxing jurisdiction of a junior college district.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.106. AIRPORT FACILITIES OR OTHER PROJECTS BY CORPORATIONS AUTHORIZED BY CERTAIN BORDER MUNICIPALITIES. (a) This section applies only to a corporation authorized to be created by a municipality, any part of which is located within 25 miles of an international border.

(b) For a corporation to which this section applies, in this subtitle, "project" includes the land, buildings, facilities, infrastructure, and improvements that:

(1) the corporation's board of directors finds are required or suitable for the development or promotion of new or expanded business enterprises through transportation facilities including airports, hangars, railports, rail switching facilities, maintenance and repair facilities, cargo facilities, marine ports, inland ports, mass commuting facilities, parking facilities, and related infrastructure located on or adjacent to an airport or railport facility; or

(2) are undertaken by the corporation if the municipality that authorized the creation of the corporation has, at the time the corporation approves the project as provided by this subtitle:

(A) a population of less than 50,000; or

(B) an average rate of unemployment that is greater than the state average rate of unemployment during the most recent 12-month period for which data is available that precedes the date the project is approved.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 795 (H.B. 2772), Sec. 1, eff. June 17, 2015.

Sec. 501.107. INFRASTRUCTURE PROJECTS BY CORPORATIONS AUTHORIZED BY MUNICIPALITIES IN CERTAIN BORDER COUNTIES. (a) This section applies only to a corporation that:

(1) is authorized to be created by a municipality wholly or partly located in a county that:

(A) is bordered by the Rio Grande;

(B) has a population of at least 500,000; and

(C) has wholly or partly within its boundaries at least four municipalities each of which has a population of at least 25,000; and

(2) does not support a project, as defined by this subchapter, with sales and use tax revenue collected under Chapter 504 or 505.

(b) For a corporation to which this section applies, in this subtitle, "project" includes expenditures found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including airports, ports, and sewer or solid waste disposal facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. CORPORATE POWERS AND LIMITATIONS RELATING TO PROJECTS

Sec. 501.151. AUTHORITY TO FINANCE PROJECT. A corporation is a constituted authority for the purpose of financing one or more projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.152. DEFINITION OF COST WITH RESPECT TO PROJECT. In this subtitle, "cost," with respect to a project, means the cost of the acquisition, cleanup, construction, reconstruction, improvement, or expansion of a project, including:

- (1) the cost of acquiring all land, rights-of-way, property rights, easements, and interests;
- (2) the cost of all machinery and equipment;
- (3) financing charges;
- (4) the cost of inventory, raw materials, and other supplies;
- (5) research and development costs;
- (6) interest accruing before and during construction and until the first anniversary of the date the construction is completed, regardless of whether capitalized;
- (7) necessary reserve funds;
- (8) the cost of estimates, including estimates of cost and revenue;
- (9) the cost of engineering or legal services;
- (10) the cost of plans, specifications, or surveys;
- (11) other expenses necessary or incident to determining the feasibility and practicability of acquiring, cleaning, constructing, reconstructing, improving, and expanding the project;
- (12) administrative expenses; and
- (13) other expenditures necessary or incident to:
 - (A) acquiring, cleaning, constructing, reconstructing, improving, and expanding the project;
 - (B) placing the project in operation; and
 - (C) financing or refinancing the project, including refunding any outstanding obligations, mortgages, or advances issued, made, or given by a person for a cost described by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.153. LEASE OR SALE OF PROJECT. (a) A corporation may:

(1) lease all or any part of a project to a user, for the rental and on the terms that the corporation's board of directors considers advisable and not in conflict with this subtitle; or

(2) sell, by installment payments or otherwise, and convey all or any part of a project to a user for the purchase price and on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

(b) A corporation may grant a lessee an option to purchase all or any part of a project when all bonds of the corporation delivered to provide those facilities have been paid or provision has been made for the bonds' final payment. This subsection is procedurally exclusive for authority to convey or grant an option to purchase all or part of a project, and reference to another law is not required.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.154. CONVEYANCE OF PROPERTY TO INSTITUTION OF HIGHER EDUCATION. With respect to a project, a corporation may donate, exchange, convey, sell, or lease land, improvements, or any other interest in real property, fixtures, furnishings, equipment, or personal property to an institution of higher education for a legal purpose of the institution, on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.155. LOAN TO FINANCE PROJECT. (a) A corporation may make a secured or unsecured loan to a user for the purpose of providing temporary or permanent financing or refinancing of all or part of the cost of a project, including the refunding of an outstanding obligation, mortgage, or advance issued, made, or given by a person for the cost of a project.

(b) For a loan made under this section, a corporation may charge and collect interest on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.156. AGREEMENT MUST BENEFIT CORPORATION. An agreement relating to a project must be for the benefit of the corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.157. DEFAULT ON AGREEMENT; ENFORCEMENT. An agreement relating to a project must provide that if a default occurs in the payment of the principal of or the interest or premium on the bonds or in the performance of any agreement contained in a proceeding, mortgage, or instrument, the payment or performance may be enforced by:

- (1) mandamus; or
- (2) the appointment of a receiver in equity with the power to:
 - (A) charge and collect rents, purchase price payments, and loan payments; and
 - (B) apply the revenue from the project in accordance with the resolution, mortgage, or instrument.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.158. PERFORMANCE AGREEMENTS. (a) A corporation may not provide a direct incentive to or make an expenditure on behalf of a business enterprise under a project as defined by Subchapter C of this chapter or by Subchapter D, Chapter 505, unless the corporation enters into a performance agreement with the business enterprise.

(b) A performance agreement between a corporation and business enterprise must:

- (1) provide, at a minimum, for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement; and
- (2) specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.159. POWERS CONCERNING PROJECTS; JURISDICTION. (a) A corporation may acquire, by construction, devise, purchase, gift, lease, or otherwise, or any one or more of those methods and may construct, improve, maintain, equip, and furnish one or more projects undertaken by another corporation or located within this state, including within the coastal waters of this state, and within or partially within the limits of the authorizing unit of the corporation or within the limits of another unit, if the governing body of the other corporation or the unit requests the corporation to exercise its powers within that unit.

(b) A corporation may recover the costs of an investment under Subsection (a) from a unit or another corporation under a contract with a limited or unlimited duration.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.160. OWNING OR OPERATING PROJECT AS BUSINESS. (a) Except as provided by Subsection (d), a corporation may not own or operate a project as a business other than:

- (1) as a lessor, seller, or lender; or
- (2) according to the requirements of any trust agreement securing the credit transaction.

(b) The user under a lease, sale, or loan agreement relating to a project is considered the owner of the project for purposes of ad valorem taxes, sales and use taxes, or any other taxes imposed by this state or a political subdivision of this state.

(c) Purchasing and holding a mortgage, deed of trust, or other security interest or contracting for the servicing of a mortgage, deed of trust, or other security interest is not considered the operation of a project.

(d) A corporation has all the powers necessary to own and operate a project as a business if:

- (1) the project is a military installation or military facility that has been closed or realigned, including a military installation or facility closed or realigned under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note), as amended; or
- (2) the project is authorized under Section 501.106.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 795 (H.B. 2772), Sec. 2, eff. June 17, 2015.

Sec. 501.161. CERTAIN ECONOMIC INCENTIVES PROHIBITED. (a) In this section, "related party" means a person who owns at least 80 percent of the business enterprise to which the sales and use tax would be rebated as part of an economic incentive.

(b) Notwithstanding any other provision of this subtitle, a corporation may not offer to provide an economic incentive for a business enterprise whose business consists primarily of purchasing taxable items using a resale certificate and then reselling those items to a related party.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.162. USE OF TAX REVENUE FOR JOB TRAINING. A corporation may spend tax revenue received under this subtitle for job training offered through a business enterprise only if the business enterprise has committed in writing to:

(1) create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area; or

(2) increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.163. USE OF TAX REVENUE FOR JOB-RELATED SKILLS TRAINING BY CERTAIN CORPORATIONS. (a) This section applies only to a corporation the creation of which was authorized by a municipality that:

(1) has a population of 10,000 or more;

(2) is located in a county that borders:

(A) the Gulf of Mexico or the Gulf Intracoastal Waterway; or

(B) the United Mexican States and in which four

municipalities with a population of 70,000 or more are located; and

(3) has, or is included in a metropolitan statistical area of this state that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

(b) A corporation may spend tax revenue received under this subtitle for job training that consists of:

(1) providing job-related life skills sufficient to enable an unemployed individual to obtain employment; and

(2) providing job training skills sufficient to enable an unemployed individual to obtain employment.

(c) A corporation to which this section applies may contract with any person to provide the job training authorized under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1283 (H.B. 1967), Sec. 1, eff. June 14, 2013.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 648 (S.B. 1748), Sec. 1, eff. June 12, 2017.

For expiration of this section, see Subsection (c).

Sec. 501.164. USE OF TAX REVENUE FOR HOUSING FACILITIES FOR PUBLIC STATE COLLEGES. (a) In this section:

(1) "Housing facility" has the meaning assigned by Section 53.02, Education Code.

(2) "Public state college" has the meaning assigned by Section 61.003, Education Code.

(b) A corporation may spend tax revenue received under this subtitle for expenditures that are for the development or construction of housing facilities on or adjacent to the campus of a public state college.

(c) This section expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1295 (H.B. 2473), Sec. 1, eff. June 14, 2013.

Redesignated from Local Government Code, Section 501.163 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(42), eff. September 1, 2015.

SUBCHAPTER E. CORPORATE POWERS AND LIMITATIONS RELATING TO BONDS

Sec. 501.201. AUTHORITY TO ISSUE BONDS. (a) A corporation may issue bonds to defray all or part of the cost of a project, regardless of whether

the bonds are wholly or partly exempt from federal income taxation.

(b) Except as limited by this subtitle or rules and guidelines of the economic development office, a corporation has full authority with respect to bonds.

(c) Except as otherwise provided by this subtitle, a corporation may issue bonds under this subtitle without obtaining the consent or approval of any department, division, or agency of this state, other than the attorney general under Chapter 1202, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.202. TERMS. Bonds issued by a corporation must be dated and must mature in not more than 40 years.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.203. SECURITIES COMMISSIONER PERMIT TO SELL SECURITIES REQUIRED. A corporation may not sell or offer for sale bonds or other securities until the securities commissioner grants a permit authorizing the corporation to offer and sell the bonds or other securities under the registration provisions of The Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes), except as exempted from registration by rule or order of the State Securities Board. Appeal from an adverse decision of the securities commissioner or the State Securities Board is under the administrative procedure law, Chapter 2001, Government Code. The substantial evidence rule applies in an appeal under this subsection.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.204. AUTHORIZING UNIT'S APPROVAL OF BONDS. (a) A corporation may not deliver bonds, including refunding bonds, unless the governing body of the corporation's authorizing unit adopts a resolution, not earlier than the 60th day before the date the bonds are delivered, specifically approving the corporation's resolution providing for the issuance of the bonds.

(b) If the corporation is authorized to be created by a county alliance, the resolution required by Subsection (a) must be adopted by the

commissioners courts of at least three-fifths of the members of the county alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.205. BOND COUNSEL AND FINANCIAL ADVISORS. Bond counsel and financial advisors participating in a bond issue must be mutually acceptable to the corporation and the user.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.206. MONEY USED TO PAY BONDS. The principal of and interest on bonds issued by a corporation are payable only from the money provided for that payment and from the revenue of the project or projects for which the bonds were authorized.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.207. BONDS NOT DEBT OF STATE OR AUTHORIZING UNIT. (a) Bonds issued under this subtitle are not a debt or pledge of the faith and credit of this state, the authorizing unit of the corporation issuing the bonds, or any other political corporation, subdivision, or agency of this state.

(b) The revenue bonds issued under this subtitle must contain on their face a statement to the effect that:

(1) neither this state, the authorizing unit of the corporation issuing the bonds, nor any other political corporation, subdivision, or agency of this state is obligated to pay the principal of or the interest on the bonds; and

(2) neither the faith and credit nor the taxing power of this state, the authorizing unit of the corporation issuing the bonds, or any other political corporation, subdivision, or agency of this state is pledged to the payment of the principal of or the interest on the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.208. BOND SECURITY; DEFAULT. (a) The principal of and interest on any bonds issued by a corporation shall be secured by a pledge of the revenues and receipts derived by the corporation from the lease or sale of the project financed by the bonds or from the loan made by the corporation with respect to the project financed or refinanced by the bonds.

(b) As security for the payment of the principal of and interest on any bonds issued by a corporation and any agreements made in connection with the issuance of bonds, the corporation may:

(1) mortgage and pledge any or all of the corporation's projects or any part of a project, including the project financed or refinanced and any enlargements of and additions to the project, owned before or acquired after the time of the mortgage or pledge; and

(2) assign any mortgage and repledge any security conveyed to the corporation to secure any loan made by the corporation, and pledge the revenues and receipts from the assigned mortgage or security.

(c) The resolution authorizing the issuance of bonds and any mortgage covering all or part of the project financed may include any agreement or provision that the board of directors considers advisable and not in conflict with this subtitle and that relates to:

(1) the maintenance of the project covered by the bonds or mortgage;

(2) the fixing and collection of rents;

(3) purchase price payments;

(4) loan payments;

(5) the creation and maintenance of special funds from those revenues; or

(6) the rights and remedies available in the event of a default.

(d) A mortgage to secure bonds may also provide that, in the event of a default in the payment of the bonds or a violation of another agreement contained in the mortgage, the mortgage may be foreclosed and the mortgaged property may be sold in any manner permitted by law. The mortgage may provide that a trustee under the mortgage or the holder of any of the bonds secured by the mortgage may purchase property at a foreclosure sale if the trustee or holder is the highest bidder.

(e) A pledge, agreement, or mortgage made for the benefit or security of any of the corporation's bonds continues in effect until the principal of and interest on the bonds benefited or secured by the pledge, agreement, or mortgage have been fully paid.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.209. TRUST AGREEMENT. (a) Bonds issued under this subtitle may be secured by a trust agreement between the corporation and a trust company or bank having the powers of a trust company. The trust company or bank may be located in or outside of this state.

(b) The trust agreement may:

(1) pledge or assign the lease, sale, or loan revenues to be received with respect to a project from a lessee, purchaser, or borrower for the payment of the principal of and interest and any premium on the bonds as the bonds become due and payable;

(2) provide for the creation and maintenance of reserves for a purpose described by Subdivision (1);

(3) state the rights and remedies of the bondholders and the trustee;

(4) restrict the individual right of action by bondholders in a manner that is customary in trust agreements or trust indentures securing bonds and debentures of private corporations; and

(5) include any additional provision that the corporation considers reasonable and proper for the security of the bondholders.

(c) The trust agreement or a resolution approving the issuance of the bonds may provide for the protection and enforcement of the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants providing the duties relating to:

(1) the acquisition of property and the construction, improvement, maintenance, repair, operation, and insurance of the project in connection with which the bonds are authorized; and

(2) the custody, protection, and application of all money.

(d) A bank or trust company incorporated under the laws of this state that acts as depository of the bond proceeds or of revenues may furnish indemnifying bonds or pledge securities as required by the corporation.

(e) All expenses incurred in carrying out the trust agreement may be treated as a part of the cost of operating the project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.210. FINANCIAL ASSURANCE OR RESPONSIBILITY REQUIREMENTS FOR CERTAIN PROJECTS. (a) The resolution or mortgage described by Section

501.208(c) may contain any agreement or provision for satisfying the financial assurance or responsibility requirements applicable to a project for which a permit is required under Chapter 361, Health and Safety Code, or Chapter 27, Water Code, including a requirement relating to construction, proper operation, liability coverage, emergency response capability, well plugging, closure, and post-closure care.

(b) Evidence of the passage of a resolution by a governing body approving or agreeing to approve the issuance of bonds for the purpose of satisfying the financial assurance or responsibility requirements applicable to the project is an adequate demonstration that sufficient financial resources will be available to comply with all existing financial assurance or responsibility requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.211. USE OF BOND PROCEEDS. (a) The proceeds of the bonds of each issue shall be:

(1) used to pay or make a loan in the amount of all or part of the cost of the project or projects for which the bonds were authorized; and

(2) disbursed in the manner and under any restrictions provided in the resolution authorizing the issuance of the bonds or in any trust agreement securing the bonds.

(b) Bond proceeds may be used to:

(1) pay all costs incurred in issuing the bonds;

(2) pay interest on the bonds for any time determined by the board of directors of the corporation issuing the bonds; and

(3) establish reserve funds and sinking funds for the bonds.

(c) If the proceeds of the bonds of any series issued for a project exceed the cost of the project for which the bonds were issued, the surplus shall be:

(1) deposited to the credit of the sinking fund for the bonds; or

(2) used to purchase bonds in the open market.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.212. INTERIM BONDS. (a) Before the preparation of definitive bonds, the corporation may, under like restrictions, issue

interim bonds that may be exchanged for definitive bonds when the definitive bonds are executed and available for delivery.

(b) The corporation may issue interim bonds with or without coupons.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.213. REFUNDING BONDS. (a) A corporation may provide by resolution for the issuance of refunding bonds:

(1) to refund outstanding bonds issued under this subtitle for a project, including the payment of any redemption premium on the bonds and the interest accrued or to accrue to the date of redemption; and

(2) if considered advisable by the corporation, additionally to finance improvements, extensions, or enlargements to the project for which the bonds being refunded were issued or for another project.

(b) The provisions of this subtitle relating to other bonds govern the issuance, maturities, and other details of the refunding bonds, the rights of the holders of the refunding bonds, and the rights, duties, and obligations of the corporation with respect to the same to the extent those provisions may be applicable.

(c) The corporation may issue the refunding bonds in exchange for outstanding bonds or may sell the refunding bonds and use the proceeds to redeem outstanding bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.214. SALE OR EXCHANGE OF BONDS. With respect to a project, a corporation may:

(1) sell bonds; or

(2) exchange bonds for property, labor, services, material, or equipment comprising a project or incidental to the acquisition of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER F. ADMINISTRATION BY ECONOMIC DEVELOPMENT OFFICE

Sec. 501.251. STATE STANDARDS FOR PROJECT ELIGIBILITY. The economic development office shall adopt rules providing minimum standards for

project eligibility.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.252. STATE STANDARDS AND GUIDELINES FOR LEASE, SALE, OR LOAN AGREEMENTS. (a) The economic development office shall adopt rules:

- (1) providing minimum standards for lease, sale, and loan agreements entered into under this subtitle; and
- (2) providing guidelines with respect to the business experience, financial resources, and responsibilities of the lessee, purchaser, or borrower under a lease, sale, or loan agreement entered into under this subtitle.

(b) The economic development office may adopt rules governing the terms of a loan made by a corporation to a bank or other lending institution the proceeds of which are reloaned as permanent or temporary financing of a project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.253. RULES FOR SMALL BUSINESS PROGRAMS. The economic development office shall adopt rules governing programs for small businesses receiving loans guaranteed wholly or partly by the United States Small Business Administration or another federal agency.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.254. FILING OF RULES AND GUIDELINES WITH SECRETARY OF STATE. Rules and guidelines adopted by the economic development office and amendments to the rules and guidelines take effect only after the filing of the rules and guidelines or amendments with the secretary of state.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.255. APPROVAL OF LEASE, SALE, OR LOAN AGREEMENT. (a) A lease, sale, or loan agreement entered into under this subtitle must be approved by the economic development office. The economic development office may not approve an agreement unless the office affirmatively finds

that the project sought to be financed furthers the public purposes of this subtitle.

(b) The corporation may appeal an adverse ruling or decision of the economic development office under Subsection (a) to a district court of Travis County. The substantial evidence rule applies in an appeal under this subsection.

(c) A corporation:

(1) may enter into a lease, sale, or loan agreement under this subtitle without obtaining the consent or approval of any department, division, or agency of this state except as otherwise provided by this subtitle; and

(2) has full authority with respect to a lease, sale, or loan agreement, except as limited by this subtitle or by rules and guidelines of the economic development office.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.256. APPROVAL OF BONDS BY ECONOMIC DEVELOPMENT OFFICE. (a) A corporation may submit a transcript of proceedings in connection with the issuance of bonds to the economic development office and request that the office approve the bonds. A corporation shall include a nonrefundable filing fee with the request. The office shall set the amount of the fee at a reasonable amount that is not less than \$500 or more than \$25,000.

(b) If the economic development office refuses to approve the bond issue solely on the basis of law, the corporation may seek a writ of mandamus from the Texas Supreme Court, and for this purpose the executive director of the economic development office is considered a state officer under Section 22.002, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.257. FILING OF FEE SCHEDULE AND BOND PROCEDURES. The economic development office by rule shall require a corporation to file fee schedules and bond procedures.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.258. DELEGATION OF AUTHORITY. The economic development office may delegate to the executive director of the office the authority to approve a lease, sale, or loan agreement made under this subtitle or bonds issued by a corporation or any documents submitted as provided in this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER G. AMENDMENT OR RESTATEMENT OF
CERTIFICATE OF FORMATION

Sec. 501.301. AMENDMENT BY BOARD OF DIRECTORS. (a) The board of directors of a corporation at any time may file with the governing body of the corporation's authorizing unit a written application requesting that the authorizing unit approve an amendment to the certificate of formation.

(b) The application must specify the proposed amendment. The board of directors shall amend the certificate of formation in accordance with this subchapter if the governing body of the authorizing unit by resolution:

- (1) determines that it is advisable to adopt the amendment;
- (2) authorizes the adoption of the amendment; and
- (3) approves the form of the amendment.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.302. AMENDMENT BY UNIT. The governing body of the authorizing unit of a corporation, at the unit's sole discretion, may in accordance with this subchapter amend the corporation's certificate of formation at any time by:

- (1) adopting the amendment by resolution; and
- (2) delivering the certificate of amendment to the secretary of state.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.303. AMENDMENT TO COUNTY ALLIANCE CORPORATION'S CERTIFICATE OF FORMATION. An amendment to the certificate of formation of a county

alliance corporation may not be adopted unless approved by the governing body of each member of the county alliance that authorized the creation of the corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.304. CONTENTS OF CERTIFICATE OF AMENDMENT. The certificate of amendment must:

- (1) state the name of the corporation;
- (2) if the amendment alters a provision of the certificate of formation, identify by reference or describe the altered provision and include the provision's text as amended;
- (3) if the amendment is an addition to the certificate of formation, state that fact and include the text of each provision added; and
- (4) state that the amendment was adopted or approved by the governing body of the authorizing unit and give the date the governing body adopted or approved the amendment.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.305. EXECUTION AND VERIFICATION OF CERTIFICATE OF AMENDMENT.

(a) A certificate of amendment shall be executed:

- (1) on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation; or
- (2) by the presiding officer of the governing body of the corporation's authorizing unit and by the secretary or clerk of the governing body.

(b) One of the officers who signs the certificate of amendment shall verify the certificate of amendment.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.306. DELIVERY AND FILING OF CERTIFICATE OF AMENDMENT. (a) Three originals of the certificate of amendment shall be delivered to the secretary of state.

(b) If the secretary of state determines that the certificate of amendment conforms to this subchapter and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the certificate of amendment;

(2) file one of the original certificates of amendment in the secretary of state's office;

(3) issue two certificates evidencing the filing of the certificate of amendment;

(4) attach to each certificate evidencing the filing of the certificate of amendment; and

(5) deliver a certificate evidencing the filing of the certificate of amendment and the attached certificate of amendment to:

(A) the corporation or the corporation's representative; and

(B) the governing body of the corporation's authorizing unit.

(c) On the issuance of the certificate evidencing the filing of the certificate of amendment, the amendment becomes effective and the certificate of formation is amended accordingly.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.307. SUITS OR RIGHTS NOT AFFECTED. (a) An amendment to a corporation's certificate of formation does not affect:

(1) any existing cause of action in favor of or against the corporation;

(2) any pending suit to which the corporation is a party; or

(3) the existing rights of any person.

(b) If a corporation's name is changed by amendment to the certificate of formation, a suit brought by or against the corporation under its former name does not abate for that reason.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.308. RESTATED CERTIFICATE OF FORMATION. A corporation may authorize, execute, and file a restated certificate of formation by following the procedure to amend the certificate of formation provided by this subchapter, including obtaining the approval of the governing body of the corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.309. RESTATEMENT WITHOUT ADDITIONAL AMENDMENT. (a) A corporation may, without making any additional amendment, restate the entire text of the certificate of formation as amended or supplemented by all certificates evidencing the filing of a certificate of amendment previously issued by the secretary of state.

(b) The introductory paragraph of a restatement under this section must contain a statement that the restatement:

- (1) accurately copies the certificate of formation and all amendments to the certificate of formation that are in effect; and
- (2) does not contain any change to the certificate of formation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.310. RESTATEMENT WITH ADDITIONAL AMENDMENT. (a) A corporation may:

- (1) restate the entire text of the certificate of formation as amended or supplemented by all certificates evidencing the filing of a certificate of amendment previously issued by the secretary of state; and
- (2) as part of the restatement, make additional amendments to the certificate of formation.

(b) A restatement under this section must:

- (1) state that each additional amendment to the certificate of formation conforms to this subtitle;
- (2) contain any statement required by this subtitle for the certificate of amendment, except that the full text of an additional amendment is not required to be set out other than in the restatement itself;
- (3) contain a statement that:
 - (A) the restatement is an accurate copy of the certificate of formation and all amendments to the certificate of formation that are in effect and all additional amendments made to the certificate of formation; and
 - (B) the restatement does not contain any other change to the certificate of formation; and
- (4) restate the text of the entire certificate of formation as amended or supplemented by all certificates evidencing the filing of a

certificate of amendment previously issued by the secretary of state and as additionally amended by the restated certificate of formation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.311. CHANGE IN CERTAIN INFORMATION NOT AMENDMENT. For purposes of restating the certificate of formation under Sections 501.309 and 501.310, substituting the current number, names, and addresses of the directors for similar information of the initial board of directors or omitting the name and address of each organizer is not an amendment to or change in the certificate of formation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.312. EXECUTION AND VERIFICATION OF RESTATED CERTIFICATE OF FORMATION. (a) Originals of the restated certificate of formation shall be executed on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation.

(b) One of the officers who signs the restated certificate of formation shall verify the restated certificate.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.313. DELIVERY AND FILING OF RESTATED CERTIFICATE OF FORMATION. (a) Three originals of the restated certificate of formation shall be delivered to the secretary of state.

(b) If the secretary of state determines that the restated certificate of formation conforms to law and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the restated certificate of formation;

(2) file one of the original restated certificates of formation in the secretary of state's office;

(3) issue two certificates evidencing the filing of the restated certificate of formation;

(4) attach to each certificate evidencing the filing of the restated certificate of formation an original of the restated certificate

of formation; and

(5) deliver a certificate evidencing the filing of the restated certificate of formation and the attached restated certificate of formation to:

- (A) the corporation or the corporation's representative; and
- (B) the governing body of:

- (i) the corporation's authorizing unit; or
 - (ii) any county in the county alliance that authorized the creation of the corporation, for a county alliance corporation.

(c) The governing body of a county to which a certificate evidencing the filing of the restated certificate of formation and the attached restated certificate of formation are delivered under Subsection (b) (5) (B) (ii) shall provide photocopies of the certificate evidencing the filing of the restated certificate of formation and the attached restated certificate of formation to each other member of the county alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.314. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING OF RESTATED CERTIFICATE OF FORMATION. On the issuance of the certificate evidencing the filing of the restated certificate of formation by the secretary of state:

- (1) the original certificate of formation and all amendments to the original certificate of formation are superseded; and
- (2) the restated certificate of formation becomes the certificate of formation of the corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER H. REGISTERED OFFICE AND AGENT; SERVICE OF PROCESS

Sec. 501.351. REGISTERED OFFICE AND AGENT. (a) A corporation shall continuously maintain in this state a registered office and registered agent.

(b) A corporation's registered office may, but is not required to be, the same as the corporation's principal office.

(c) A corporation's registered agent may be:

- (1) an individual who is a resident of this state and whose business office is the same as the corporation's registered office; or

(2) a domestic or foreign for-profit or nonprofit corporation that:

(A) is authorized to transact business or to conduct affairs in this state; and

(B) has a principal or business office that is the same as the corporation's registered office.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.352. CHANGE OF REGISTERED OFFICE OR AGENT. (a) A corporation may change its registered office or registered agent by filing in the office of the secretary of state a statement declaring:

(1) the name of the corporation;

(2) the postal mailing address of the corporation's registered office at the time of filing;

(3) the postal address to which the registered office is to be changed, if the postal mailing address of the corporation's registered office is to be changed;

(4) the name of the corporation's registered agent at the time of filing;

(5) the name of the corporation's successor registered agent, if the corporation's registered agent is to be changed;

(6) that the postal mailing address of the corporation's registered office and the postal mailing address of the business office of the corporation's registered agent as changed will be the same; and

(7) that the change was authorized by:

(A) the corporation's board of directors; or

(B) an officer of the corporation authorized by the corporation's board of directors to make the change.

(b) Two originals of the statement shall be:

(1) executed on behalf of the corporation by the president or a vice president of the corporation;

(2) verified by the executing officer; and

(3) delivered to the secretary of state.

(c) If the secretary of state determines that the statement conforms to this section and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the statement;

(2) file one of the original statements in the secretary of state's office; and

(3) return the other original statement to the corporation or the corporation's representative.

(d) A change made by the statement becomes effective on the filing of the statement by the secretary of state.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.353. RESIGNATION OF REGISTERED AGENT. (a) A corporation's registered agent may resign by:

(1) giving written notice to the corporation at the corporation's last known address; and

(2) giving three originals of the written notice to the secretary of state not later than the 10th day after the date the notice is mailed or delivered to the corporation.

(b) The notice of resignation must include:

(1) the corporation's last known address;

(2) a statement that written notice of the resignation was given to the corporation; and

(3) the date on which the written notice of resignation was given to the corporation.

(c) If the secretary of state determines that the notice of resignation conforms to this section, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the notice of resignation;

(2) file one of the original notices of resignation in the secretary of state's office;

(3) return one original notice of resignation to the resigning registered agent; and

(4) return one original notice of resignation to the corporation at the corporation's last known address shown in the notice.

(d) The appointment of a registered agent terminates on the 31st day after the date the secretary of state receives the notice of resignation that complies with this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.354. AGENTS FOR SERVICE. (a) The president, each vice president, and the registered agent of a corporation are the corporation's agents on whom a process, notice, or demand required or permitted by law to be served on the corporation may be served.

(b) If a corporation does not appoint or maintain a registered agent in this state or if the corporation's registered agent cannot with reasonable diligence be found at the registered office, the secretary of state is an agent of the corporation on whom a process, notice, or demand described by Subsection (a) may be served.

(c) Service of a process, notice, or demand on the secretary of state is made by delivering two copies of the process, notice, or demand to the secretary of state, the deputy secretary of state, or a clerk in charge of the corporation department of the secretary of state's office. The secretary of state shall immediately forward by registered mail one copy of the process, notice, or demand to the corporation at the corporation's registered office.

(d) Service made on the secretary of state under this section is returnable not earlier than the 30th day after the date of service.

(e) The secretary of state shall keep a record of each process, notice, and demand served on the secretary of state under this subtitle and shall include in the record the time of the service and the secretary of state's action in response to the service.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER I. ALTERATION OR TERMINATION OF CORPORATION

Sec. 501.401. ALTERATION OR TERMINATION BY AUTHORIZING UNIT. (a) At any time a corporation's authorizing unit, in its sole discretion, may in accordance with this subtitle:

(1) alter the corporation's structure, organization, programs, or activities; or

(2) terminate the existence of the corporation.

(b) The authority of an authorizing unit under this section is limited only by the law of this state on the impairment of contracts entered into by the corporation.

(c) An authorizing unit may make an alteration or may terminate the corporation's existence only by a written resolution of the authorizing unit's governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.402. TERMINATION OF CORPORATION ON COMPLETION OF PURPOSE. The board of directors of a corporation, with the approval by written resolution of the corporation's authorizing unit, shall terminate the corporation's existence as provided by this subtitle if the board by resolution determines that:

- (1) the purposes for which the corporation was formed have been substantially fulfilled; and
- (2) all bonds issued by the corporation have been fully paid.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.403. EXECUTION OF CERTIFICATE OF TERMINATION. A certificate of termination shall be executed:

- (1) on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation; or
- (2) by the presiding officer of the governing body of the corporation's authorizing unit and the secretary or clerk of the governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.404. DELIVERY AND FILING OF CERTIFICATE OF TERMINATION. (a) Three originals of the certificate of termination shall be delivered to the secretary of state.

(b) If the secretary of state determines that the certificate of termination conforms to this subtitle and on receipt of a \$25 fee, the secretary of state shall:

- (1) endorse the word "Filed" and the date of the filing on each original of the certificate of termination;
- (2) file one of the original certificates of termination in the secretary of state's office;
- (3) issue two certificates evidencing the filing of the certificate of termination;

(4) attach to each certificate evidencing the filing of the certificate of termination an original of the certificate of termination; and

(5) deliver a certificate evidencing the filing of the certificate of termination and the attached certificate of termination to:

(A) the representative of the terminated corporation; and

(B) the governing body of the terminated corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.405. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING OF CERTIFICATE OF TERMINATION. The corporate existence ends on the issuance of the certificate evidencing the filing of the certificate of termination except for the purpose of:

(1) any suit or other proceeding; and

(2) appropriate corporate action by a director or officer under this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.406. ASSETS ON TERMINATION. On termination the title to all funds and property owned by the corporation is transferred to the corporation's authorizing unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 501.407. TERMINATION WITH TRANSFER OF ASSETS TO TYPE A CORPORATION. On approval of the governing bodies of each unit and corporation involved, a corporation that is not a Type A corporation may transfer all of the corporation's assets to a Type A corporation and terminate its existence as provided by this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER J. HURRICANE IKE DISASTER RELIEF

Sec. 501.451. APPLICABILITY. This subchapter applies only to a corporation the creation of which was authorized by a unit wholly or partly located in the Hurricane Ike disaster area, as defined by Section 704, Heartland Disaster Tax Relief Act of 2008 (Pub. L. No. 110-343).

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

Sec. 501.452. PROJECTS RELATED TO HURRICANE IKE DISASTER AREA. For a corporation to which this subchapter applies, in this subtitle, "project":

(1) includes an undertaking the costs of which are eligible to be paid from the proceeds of qualified Hurricane Ike disaster area bonds under Section 704, Heartland Disaster Tax Relief Act of 2008 (Pub. L. No. 110-343); and

(2) does not include:

(A) a qualified residential rental project, as defined by Section 142(d), Internal Revenue Code of 1986; or

(B) a project the costs of which are payable from qualified mortgage bonds, as defined by Section 143, Internal Revenue Code of 1986.

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

Sec. 501.453. PROJECTS NOT ADMINISTERED BY ECONOMIC DEVELOPMENT OFFICE. A project authorized under this subchapter and bonds issued to pay all or part of the cost of a project under this subchapter are not subject to the requirements of Subchapter F.

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

ARTICLE I. - IN GENERAL

Secs. 30-1—30-18. - Reserved.

ARTICLE II. - PARKS DEVELOPMENT CORPORATION

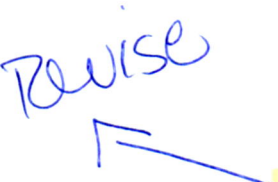
Sec. 30-19. - New members.

Upon completion of the appointment process, new directors shall be encouraged to become familiar with all aspects, duties and responsibilities of the city parks development corporation (WPDC). The WPDC secretary is encouraged to furnish to new members the telephone numbers of other WPDC board members and staff, the governing regulations, and any other pertinent information concerning the WPDC to the new board member within seven days of the new director's appointment.

(Code 2001, § 9.1001(a); Code 2010, § 1.04.181)

Sec. 30-20. - Responsibilities.

Responsibilities of the city parks development corporation are as follows:

- 
- (1) Establish policies and administer the programs and services within the confines of state law and under the direction of the city council.
 - (2) Devise and update as necessary a master plan showing locations for all current and proposed park and recreation facilities in the city.
 - (3) Collect the one-half cent sales tax as provided in the May 7, 1994 sales tax election.
 - (4) Prepare an annual budget for approval by the city council.
 - (5) Conduct public hearings and receive citizen input regarding proposed projects within the jurisdiction of the corporation.
 - (6) Ensure that the financial affairs of the corporation are conducted in accordance with the established policies of state law and the city council.
 - (7) The following items shall be forwarded to the city council for approval prior to any commitment by the parks development corporation:
 - a. All new projects.
 - b. Changes in size, scope or location of existing or planned projects.
 - c. Request for use of any land or facilities owned by the city or the PDC for temporary use for organized athletic events, etc.
 - d. Purchase or sale of land or facilities.

(Code 2001, § 9.1001(b); Code 2010, § 1.04.182)

Sec. 30-21. - Duties of members.

The specific duties of a member of the board of directors of the parks development corporation shall be as follows:

- (1) Attend all board meetings regularly and actively participate in discussion and action on agenda items.
- (2) Become well informed of all agenda items in advance of the meeting.
- (3) Express points of view based on knowledgeable input.
- (4) Consider other points of view, make constructive suggestions, and help make group decisions which reflect the thinking of the total group.
- (5) Assume board leadership responsibilities as requested, such as elected officer or committee chair.
- (6) Keep informed about the corporation's programs, policies, responsibilities, and budget status, as well as changes in state law affecting operations of the board.
- (7) Make all decisions and take all actions based on the principles of reasonable prudence, acting in good faith, with the well-being of citizens always of paramount importance.
- (8) Avoid any conflict of interest.

(Code 2001, § 9.1001(c); Code 2010, § 1.04.183)

Secs. 30-22—30-45. - Reserved.

WATAUGA PARKS DEVELOPMENT CORPORATION
BYLAWS

ARTICLE ONE: REGISTERED OFFICE

- 1.01 The registered office of the corporation is located at 7105 Whitley Road, Watauga, Texas 76148, and the name of the registered agent of the corporation at such address is Greg Vick, City Manager. The principal office for the transaction of the business of the corporation is located at 7105 Whitley Road, Watauga, Texas 76148.

ARTICLE TWO: DIRECTORS
Powers

- 2.01 The Directors shall act only as a board, and an individual Director shall have no power to act for the corporation. All corporate powers of the corporation shall be exercised by the Board of Directors or under its authority. The business and affairs of the corporation shall be controlled by the Board of Directors, subject, however, to such limitations as are imposed by law, the Articles of Incorporation or these Bylaws. The Board of Directors may, by contract or otherwise, give general or limited or special power and authority to the officers and employees of the corporation to transact the general business or any special business of the corporation and may give powers of attorney to agents of the corporation to transact any special business requiring such authorization.

Number and Qualification of Directors

- 2.02 The authorized number of Directors of this corporation shall be seven (7). Each Director must be a resident of the City of Watauga at the time of appointment and maintain that residency during entire tenure on the Board.

Election and Term of Office

- 2.03 The Directors shall be selected and appointed by the Watauga City Council and shall hold office for two (2) year terms.

Vacancies

- 2.04 Vacancies on the Board of Directors may be filled by a majority vote of the Watauga City Council at a regular meeting or special meeting called for that purpose.

Removal of Directors

- 2.05 The entire Board of Directors or any individual Director may be removed from office with or without cause by majority vote of the Watauga City Council.

Place of Meetings

- 2.06 All meetings of the Board of Directors shall be held within the City limits of Watauga.

Annual Meetings

- 2.07 The annual meeting of the corporation shall be held in the month of February each year. At such meetings, officers shall be appointed, reports of the corporation's affairs shall be considered and any other business may be transacted which falls within the power of the Directors. All provisions herein pertaining to the Board of Directors meetings shall also apply to the annual meeting.

Regular Meetings

- 2.08 Regular meetings of the Board of Directors shall be held between annual meetings of the corporation, and at such dates and times as the Directors may determine. Meetings shall be held no less than quarterly. Roberts Rules of Order shall be used to conduct and govern meetings. Regular meetings shall be conducted in accordance with the Texas Open Meetings Act, Government Code Chapter 551, as now or hereafter amended.

Special Meetings - Call and Notices

- 2.09 Special meetings of the Board of Directors for any purpose shall be called at any time by the President or, if the President is absent or unable or refuses to act, by any two Directors. Written notices of the special meetings, stating the time and place and in general terms the purpose or purposes thereof, shall be mailed or telegraphed or personally delivered to each Director not later than the day before the day appointed for the meeting. Special meetings shall be conducted in accordance with the Texas Open Meetings Act, Government Code Chapter 551, as now or hereafter amended.

Quorum

- 2.10 A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn or recess a meeting. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation. Each Director who is present at a

meeting will be deemed to have assented to any action taken at the meeting unless the Director's dissent to the action is entered in the minutes of the meeting.

Board Action

- 2.11 Any action required or permitted to be taken by the Board of Directors must be taken pursuant to a lawfully convened meeting.

Adjournment - Notice

- 2.12 A quorum of the Directors may adjourn or recess any Directors' meeting to meet again at a stated hour on a stated day. In the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn or recess from time to time until the time fixed for the next regular meeting of the Board. All meetings of the Board of Directors shall be conducted in accordance with the Texas Open Meetings Act, Government Code Chapter 551, as now or hereafter amended.

Telephone Meetings

- 2.13 Subject to the notice provisions, Directors may participate in and hold a meeting by means of teleconference, telephone call or similar communications equipment subject to the teleconference being conducted in accordance with the Texas Open Meetings Act, Government Code Chapter 551, as now or hereafter amended.

Conduct of Meetings

- 2.14 The President or, in the President's absence, the Vice President, or in the absence of both, any Director selected by the Directors present, shall preside at the meeting of the Board of Directors. The President, or presiding officer in the absence of the President, shall not make motions and shall vote only in case of a tie. The Secretary of the corporation or, in the Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the Board of Directors' meetings.

Power of Eminent Domain

- 2.15 The corporation may exercise the power of eminent domain only on approval of the action by the Watauga City Council. The power must be exercised with and subject to the laws applicable to the City of Watauga.

Liability

- 2.16 The corporation, individual Directors, the City of Watauga, the individual Watauga City Council Members, employees of the City of Watauga or of the

Corporation are not liable for damages arising from governmental function of the corporation or the City of Watauga.

Indemnification of Directors and Officers

- 2.17 The Board of Directors may authorize the corporation to indemnify and/or pay expenses incurred by, or to satisfy a judgment or settle a claim or pay a fine rendered or levied against present or former Directors, officers, employees or agents of this corporation based upon his or her action as a director, officer, employee or agent of the corporation as authorized by State law.

ARTICLE THREE: OFFICERS

Title and Appointment

- 3.01 The officers of the corporation shall be a President, one or more Vice Presidents, Secretary, Treasurer and such assistants and other officers as the Watauga City Council deems necessary to carry out the business and purposes of the corporation. All officers shall be appointed by and hold office at the pleasure of the Board of Directors.

Powers and Duties of Officers

- 3.02 The officers of the corporation shall have the powers and duties generally ascribed to the respective offices and such additional authority or duty as may from time to time be established by the Board of Directors. The Secretary is encouraged to furnish to new members the telephone numbers of other WPDC board members and staff, the governing regulations, and any other pertinent information concerning the WPDC to the new board member within seven (7) days of the new director's appointment.

ARTICLE FOUR: EXECUTION OF INSTRUMENTS

- 4.01 The Board of Directors may, in its discretion, authorize an officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law and such execution or signature shall be binding on the corporation.

ARTICLE FIVE: RECORDS AND REPORTS

Inspection of Books and Records

- 5.01 The corporation shall keep at the principal place of business a book of minutes of all meetings, adequate business records and notices of all its transactions.

- 5.02 All books and records of the corporation shall be open to inspection to the extent expressly provided by the Texas Open Records Act, Chapter 551 of the Government Code, as now or hereafter amended, and not otherwise. All books and records may be examined by Directors and Watauga City Council members at reasonable times.

ARTICLE SIX: AMENDMENT OF BYLAWS

Amendment of Bylaws

- 6.01 The power to alter, amend, or repeal these bylaws is vested in the Directors, subject to the approval of the City Council or changes in State law.

Recommended for Approval by the Board of Directors on the 16th day of July, 2013.

DIRECTORS:

Art Miner, President

Pete Beierschmitt, Vice President

Lakisha Nicas, Secretary

Mary Jan Hill, Director

Roma Bowman, Director

Nelson Stoppiello, Director

Joe Moody, Director

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 16-05-23-02

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS CANVASSING RETURNS AND DECLARING THE RESULTS OF A SPECIAL ELECTION HELD IN THE CITY OF WATAUGA ON MAY 7, 2016 FOR THE SUBMISSION OF A PROPOSITION REAUTHORIZING A LOCAL SALES AND USE TAX IN THE CITY OF WATAUGA AT THE RATE OF ONE-FOURTH OF ONE PERCENT TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS

WHEREAS, on May 23, 2016 the City Council did canvass the votes of the Special Election held on May 7, 2016; and

WHEREAS, there came to be considered the returns of a Special Election held on May 7, 2016 for the purpose of submitting a proposition to the voters of the City of Watauga, Texas, reauthorizing a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, THAT:

I.

There were cast at said election, 245 early voting ballots and 58 ballots on election day for a total of 303 valid and legal votes. The voters cast a ballot on the following proposition:

PROPOSITION:

Reauthorization of a local sales and use tax in the City of Watauga Texas at the rate of one-fourth of one percent to continue providing revenue for maintenance and repair of municipal streets.

The canvass was has determined that the total votes cast at said election were as follows:

<u>PROPOSITION 1</u>	<u>EARLY VOTING</u>	<u>ELECTION DAY</u>	<u>TOTAL</u>
FOR	205	45	250
Against	37	12	49
Under Votes	3	1	4
Total	245	58	303

II.

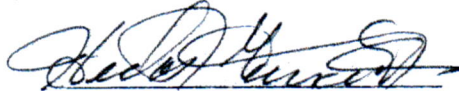
Said election was duly called, notice of said election was given in accordance with law, and that said election was held in accordance with law and the result of said election is that the Proposition so submitted has received a favorable vote in all aspects; that accordingly the reauthorization of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets, may be levied and collected after all legal requirements have been satisfied.

III.

It is further found and determined that in accordance with the order of this governing body, the City Secretary posted written notice of the date, place, time and subject of this meeting on the bulletin board located at the City Hall, a place convenient and readily accessible to the general public, and said notice having been so posted and remaining continuously for at least seventy-two (72) hours preceding the scheduled time of said meeting.

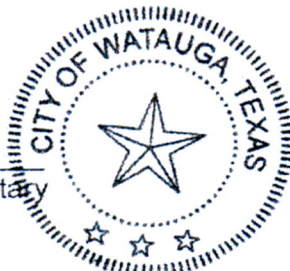
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 23rd day of May 2016.

APPROVED:

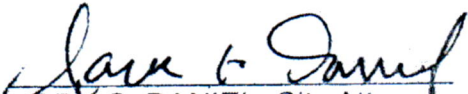

Hector F. Garcia, Mayor

ATTEST:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, City Attorney

Cumulative Report — Unofficial

Tarrant County — Joint Elections — May 07, 2016

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Total Number of Voters : 46,444 of 890,560 = 5.22%

Precincts Reporting 181 of 181 = 100.00%

Party	Candidate	Early	Election	Total
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Council Member, Place 1 City of Watauga, Vote For 1

Hal Gerhardt	135	61.36%	41	75.93%	176	64.23%
Russell Clements	85	38.64%	13	24.07%	98	35.77%

Cast Votes:	220	89.80%	54	93.10%	274	90.43%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	25	10.20%	4	6.90%	29	9.57%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	303	12,872	2.35%

Council Member, Place 2 City of Watauga, Vote For 1

Walter C. Vaughn	58	26.13%	11	20.37%	69	25.00%
Brandon Krausse	105	47.30%	38	70.37%	143	51.81%
Albert (Al) Cardenas	59	26.58%	5	9.26%	64	23.19%

Cast Votes:	222	90.81%	54	93.10%	276	91.09%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	23	9.39%	4	6.90%	27	8.91%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	303	12,872	2.35%

Council Member, Place 6 City of Watauga, Vote For 1

Patrick (Pat) Shelbourne	195	100.00%	47	100.00%	242	100.00%
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Cast Votes:	195	79.59%	47	81.03%	242	79.87%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	50	20.41%	11	18.97%	61	20.13%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	303	12,872	2.35%

Cumulative Report — Unofficial

Tarrant County — Joint Elections — May 07, 2016

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Total Number of Voters : 46,444 of 890,560 = 5.22%

Precincts Reporting 181 of 181 = 100.00%

Party	Candidate	Early	Election	Total
-------	-----------	-------	----------	-------

Council Member, Place 7 City of Watauga, Vote For 1

Robert (Bob) Davis

192 100.00% 40 100.00% 232 100.00%

Cast Votes:	192	78.37%	40	68.97%	232	76.57%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	53	21.63%	18	31.03%	71	23.43%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	303	12,872	2.35%

Proposition 1 City of Watauga, Vote For 1

For
Against

205 84.71% 45 78.95% 250 83.61%
37 15.29% 12 21.05% 49 16.39%

Cast Votes:	242	98.78%	57	98.28%	299	98.68%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	3	1.22%	1	1.72%	4	1.32%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	303	12,872	2.35%

Mayor Town of Westlake, Vote For 1

Colin Stevenson
Laura Wheat

103 26.68% 30 40.00% 133 28.85%
283 73.32% 45 60.00% 328 71.15%

Cast Votes:	386	99.48%	75	98.68%	461	99.35%
Over Votes:	0	0.00%	0	0.00%	0	0.00%
Under Votes:	2	0.52%	1	1.32%	3	0.65%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
1	1	100.00%	464	888	52.25%

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



June 22, 2016

Ms. Zolaina R. Parker
City Secretary
City of Watauga
7105 Whitley Rd
Watauga, TX 76148-2024

Dear Ms. Parker:

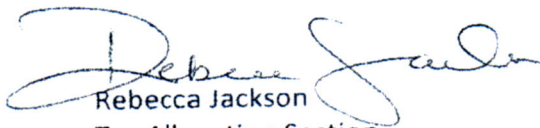
We have received the results of Watauga's May 7, 2016 reauthorization election to continue the additional 1/4% city sales and use tax for Municipal Street Maintenance as permitted under Chapter 327 of the Texas Tax Code.

This additional 1/4% local sales and use tax will become effective within the City of Watauga on October 1, 2016.

Also, we have noted that the municipal street maintenance tax **will expire four years after it begins to levy taxes for street maintenance purposes if the city does not hold a tax reauthorization election.**

If you have any questions or need more information, please call me toll free at 1-800-531-5441, extension 5-9732. My email address is Rebecca.Jackson@cpa.texas.gov.

Sincerely,


Rebecca Jackson
Tax Allocation Section
Revenue Accounting Division

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1614

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, CALLING A SPECIAL ELECTION TO BE HELD IN SAID CITY ON THE 7TH DAY OF MAY 2016 FOR THE CONTINUATION OF THE ADOPTION OF A LOCAL SALES AND USE TAX OF ONE-FOURTH OF ONE PERCENT FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; SETTING THE DATE, PLACE AND TIME OF SAID ELECTION; AND OTHER PROVISIONS OTHERWISE INCIDENTAL TO SUCH ORDINANCE IN ACCORDANCE WITH THE TEXAS ELECTION LAWS AND ARTICLES III AND IV OF THE CITY OF WATAUGA HOME RULE CHARTER; PROVIDING THAT ALL ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE

WHEREAS, a reduction of the sales and use tax for the Watauga Parks Development Corporation to one-fourth of one percent and to levy and collect an additional sales and use tax in the amount of one-fourth of one percent for maintenance and repair of municipal streets was approved by a majority of the voters of the City of Watauga at a general election on May 12, 2012;

WHEREAS, Chapter 327 of the Tax Code authorizes a municipal sales and use tax for maintenance and repair of municipal streets in the amount of one-fourth of one percent;

WHEREAS, the City Council of the City of Watauga, Texas finds and determines that it is in the best interest of the citizens of the City to call and hold a referendum election in the City for the purposes of submitting a proposition pertaining to the continuation of a sales and use tax of one-fourth of one percent for maintenance and repair of municipal streets; and

WHEREAS, the special election has been called for May 7, 2016 in the City of Watauga, Texas.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Watauga,

Texas as follows:

I.

In conjunction with the general election pursuant to a joint election agreement with Tarrant County, Texas, to be held on May 7, 2016 from 7:00 am. until 7:00 p.m. at City Hall, 7105 Whitley Road, City of Watauga, Texas, a special election shall be held to submit the following proposition to a vote of the qualified voters of the City of Watauga, Texas:

PROPOSITION

Reauthorization of a local sales and use tax in the City of Watauga Texas at the rate of one-fourth of one percent to continue providing revenue for maintenance and repair of municipal streets.

II.

The Proposition shall be set forth substantially in the following form, so as to permit the electors to vote "FOR" or "AGAINST" the Proposition, to-wit:

Reauthorization of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to continue providing revenue for maintenance and repair of municipal streets.

FOR

AGAINST

III.

Substantial copies of the Ordinance in both English and Spanish shall serve as proper notice of the Election, and said notice shall be (a) published once in a newspaper of general circulation within the City not earlier than the thirtieth (30th) day, or later than the tenth (10th) day before the Election and (b) posted not later than the 21st day before the Election on the bulletin board used for posting notice of meetings of the City Council of the City of Watauga, Texas.

IV.

Days and hours for Early Voting by Personal Appearance shall be as follows:

April 25-29, 2016	Monday-Friday	8:00 a.m.- 5:00 p.m.
April 30, 2016	Saturday	7:00 a.m. - 7:00 p.m.
May 1, 2016	Sunday	11:00 a.m. - 4:00 p.m.
May 2-3, 2016	Monday - Tuesday	7:00 a.m. - 7:00 p.m.

V.

The election shall be conducted according to the election laws of the State of Texas and the Home Rule Charter of the City of Watauga, Texas.

VI.

The Presiding Election Judge and Alternate Presiding Judge shall be appointed by Tarrant County.

VII.

Frank Phillips, the Tarrant County Elections Administrator, is hereby appointed as the Early Voting Clerk. Applications for ballot by mail must be received by mail no later than the close of business April 26, 2016 (Mailing Address: P.O. Box 961011, Fort Worth, Texas, 76161-0011; Attention: Frank Phillips, Early Voting Clerk).

VIII.

Early Voting shall be conducted at the Tarrant County Main Early Voting location: 2700 Premier Street, Fort Worth, Texas 76111 and Watauga City Hall, 7105 Whitley Road, Watauga, Texas 76148, as well as other branch offices established by Tarrant County.

IX.

This Ordinance shall be and is hereby cumulative of all Ordinances of the City of Watauga, Texas, and this Ordinance shall not operate to repeal or affect any such other Ordinances except insofar as the provision thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event, such conflicting provisions, if any, in such Ordinance or Ordinances are hereby repealed.

X.

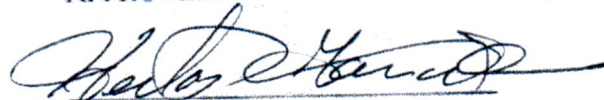
If any section, sub-section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

XI.

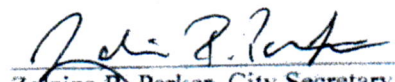
This Ordinance shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 25th
day of January, 2016.

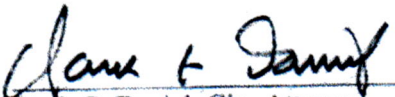
APPROVED:

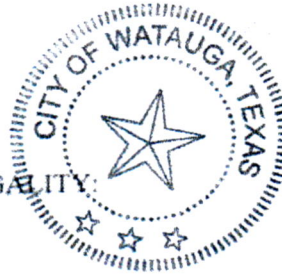

Hector F. Garcia, Mayor

ATTEST:


Zolaina R. Parker, City Secretary

APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney



CITY OF WATAUGA, TEXAS
RESOLUTION NO. 12-05-21-02

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS CANVASSING RETURNS AND DECLARING THE RESULTS OF A SPECIAL ELECTION HELD IN THE CITY OF WATAUGA ON MAY 12, 2012 FOR THE SUBMISSION OF A PROPOSITION TO DECREASE THE SALES AND USE TAX FOR THE BENEFIT OF THE WATAUGA PARKS DEVELOPMENT CORPORATION TO ONE-FOURTH OF ONE PERCENT AND THE ADOPTION OF A LOCAL SALES AND USE TAX IN THE CITY OF WATAUGA AT THE RATE OF ONE-FOURTH OF ONE PERCENT TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS

WHEREAS, on May 21, 2012 the City Council did canvass the votes of the Special Election held on May 12, 2012; and

WHEREAS, there came to be considered the returns of a Special Election held on May 12, 2012 for the purpose of submitting a proposition to the voters of the City of Watauga of a decrease of the sales and use tax in the City of Watauga Texas for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent, and the adoption of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, THAT:

I.

There were cast at said election, 304 early voting ballots and 293 ballots on election day for a total of 597 valid and legal votes. The voters cast a ballot on the following proposition:

PROPOSITION:

THE DECREASE OF THE SALES AND USE TAX IN THE CITY OF WATAUGA TEXAS FOR THE BENEFIT OF THE WATAUGA PARKS DEVELOPMENT CORPORATION TO ONE-FOURTH OF ONE PERCENT, AND THE ADOPTION OF A LOCAL SALES AND USE TAX IN THE CITY OF WATAUGA, TEXAS AT THE RATE OF ONE-FOURTH OF ONE PERCENT TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS.

The canvass has determined that the total votes cast at said election were as follows:

<u>PROPOSITION 1</u>	<u>EARLY VOTING</u>	<u>ELECTION DAY</u>	<u>TOTAL</u>
For	231	223	454
Against	65	65	130
Undervotes	8	5	13
Total	304	293	597

II.

Said election was duly called, notice of said election was given in accordance with law, and that said election was held in accordance with law, and the result of said election is that the Proposition so submitted has received a favorable vote in all respects; that accordingly the decrease of the sales and use tax for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent, and the adoption of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets may be levied and collected after all legal requirements have been satisfied.

III.

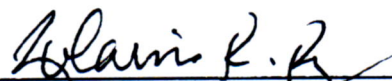
It is further found and determined that in accordance with the order of this governing body, the City Secretary posted written notice of the date, place, time and subject of this meeting on the bulletin board located at the City Hall, a place convenient and readily accessible to the general public, and said notice having been so posted and remaining continuously for at least seventy-two (72) hours preceding the scheduled time of said meeting.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 21st day of May 2012.

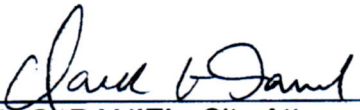
APPROVED:


HENRY J. JEFFRIES, Mayor

ATTEST:


Zolaina R. Reyes, Assistant City Secretary

APPROVED AS TO FORM AND LEGALITY:



MARK G. DANIEL, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1483

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, CALLING A SPECIAL ELECTION TO BE HELD IN SAID CITY ON THE 12TH DAY OF MAY 2012 FOR THE DECREASE IN THE SALES AND USE TAX FOR THE BENEFIT OF THE WATAUGA PARKS DEVELOPMENT CORPORATION TO ONE-FOURTH OF ONE PERCENT AND THE ADOPTION OF A LOCAL SALES AND USE TAX OF ONE-FOURTH OF ONE PERCENT FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; SETTING THE DATE, PLACE AND TIME OF SAID ELECTION; AND OTHER PROVISIONS OTHERWISE INCIDENTAL TO SUCH ORDINANCE IN ACCORDANCE WITH THE TEXAS ELECTION LAWS AND ARTICLES III AND IV OF THE CITY OF WATAUGA HOME RULE CHARTER; PROVIDING THAT ALL ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE

WHEREAS, a sales and use tax in the amount of one-half of one percent for the benefit of the Watauga Parks Development Corporation was approved by a majority of the voters of the City of Watauga at a general election on May 7, 1994;

WHEREAS, Chapter 327 of the Tax Code authorizes a municipal sales and use tax for maintenance and repair of municipal streets in the amount of one-fourth of one percent;

WHEREAS, the City Council of the City of Watauga, Texas finds and determines that it is in the best interest of the citizens of the City to call and hold a referendum election in the City for the purposes of submitting a proposition pertaining to a reduction of the sales and use tax for the Watauga Parks Development Corporation to one-fourth of one percent and to levy and collect an additional sales and use tax in the amount of one-fourth of one percent for maintenance and repair of municipal streets; and

WHEREAS, the general election has been called for May 12, 2012 in the City of Watauga .

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Watauga, Texas as follows:

I.

In conjunction with the general election pursuant to a joint election agreement with Tarrant County, Texas, to be held on May 12, 2012 from 7:00 am. until 7:00 p.m. at City Hall, 7105 Whitley Road, City of Watauga, Texas, a special election shall be held to submit the following proposition to a vote of the qualified voters of the City of Watauga, Texas:

PROPOSITION

The decrease of the sales and use tax in the City of Watauga Texas for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent, and the adoption of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

II.

The Proposition shall be set forth substantially in the following form, so as to permit the electors to vote "FOR" or "AGAINST" the Proposition, to-wit:

The decrease of the sales and use tax in the City of Watauga Texas for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent, and the adoption of a local sales and use tax in the City of Watauga, Texas at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.

_____ FOR

_____ AGAINST

III.

Substantial copies of the Ordinance in both English and Spanish shall serve as proper notice of the Election, and said notice shall be (a) published once in a newspaper of general circulation within the City not earlier than the thirtieth (30th) day, or later than the tenth (10th) day before the Election and (b) posted not later than the 21st day before the Election on the bulletin board used for posting notice of meetings of the City Council of the City of Watauga, Texas.

IV.

Days and hours for Early Voting by Personal Appearance shall be as follows:

April 30, 2012	Monday	8:00 a.m. - 5:00 p.m.
May 1 – 4, 2012	Tuesday – Friday	8:00 a.m. - 5:00 p.m.
May 5, 2012	Saturday	7:00 a.m. - 7:00 p.m.
May 6, 2012	Sunday	11:00 a.m. - 4:00 p.m.
May 7 - 8, 2012	Monday - Tuesday	7:00 a.m. - 7:00 p.m.

V.

The election shall be conducted according to the election laws of the State of Texas and the Home Rule Charter of the City of Watauga, Texas.

VI.

The Presiding Election Judge and Alternate Presiding Judge shall be appointed by Tarrant County.

VII.

Steven Raborn, the Tarrant County Elections Administrator, is hereby appointed as the Early Voting Clerk. Applications for ballot by mail must be received by mail no later than the close of business May 4, 2012 (Mailing Address: P.O. Box 961011, Fort Worth, Texas, 76161-0011; Attention: Steve Raborn, Early Voting Clerk).

VIII.

Early Voting shall be conducted at the Tarrant County Main Early Voting location: 2700 Premier Street, Fort Worth, Texas 76111 and Watauga City Hall, 7105 Whitley Road, Watauga, Texas 76148, as well as other branch offices established by Tarrant County.

IX.

This Ordinance shall be and is hereby cumulative of all Ordinances of the City of Watauga, Texas, and this Ordinance shall not operate to repeal or affect any such other Ordinances except insofar as the provision thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event, such conflicting provisions, if any, in such Ordinance or Ordinances are hereby repealed.

X.

If any section, sub-section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

XI.

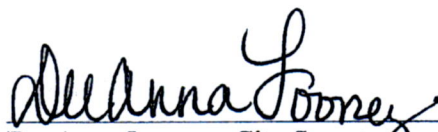
This Ordinance shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 23rd day of January, 2012.

APPROVED:


Henry J. Jeffries, Mayor

ATTEST:


DeeAnna Looney, City Secretary

APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

CITY OF WATAUGA, TEXAS

NO. 702

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS AMENDING CHAPTER TWO OF THE CODE OF ORDINANCES FOR THE CITY OF WATAUGA TO INCLUDE ARTICLE X ESTABLISHING THE ECONOMIC DEVELOPMENT BOARD; ENUMERATING POWERS AND DUTIES OF THE ECONOMIC DEVELOPMENT BOARD; PROVIDING THAT EMPLOYEE MATTERS ARE NOT WITHIN THE DIRECTION OR CONTROL OF THE ECONOMIC DEVELOPMENT BOARD; ESTABLISHING RESIDENCY AS A REQUIREMENT OF MEMBERSHIP FOR ALL EXCEPT TWO (2) PLACES ON THE ECONOMIC DEVELOPMENT BOARD; ESTABLISHING COMPOSITION AND TERMS OF OFFICE; PROVIDING FOR REMOVAL OF MEMBERS AND FILLING OF VACANCIES; DESIGNATING OFFICERS; PROVIDING THAT SERVICE ON THE ECONOMIC DEVELOPMENT BOARD SHALL BE WITHOUT COMPENSATION; PROVIDING FOR DONATIONS AND SOLICITATIONS; ESTABLISHING RULES FOR MEETINGS; PROVIDING FOR MINUTES; ESTABLISHING A LIAISON TO THE CITY COUNCIL; PROVIDING THAT ALL ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Watauga, Texas that:

I.

Chapter Two of the Code of Ordinances for the City of Watauga is amended to include Article X establishing the Economic Development Board and shall read as follows:

SECTION 1: Creation; Powers and Duties

There is hereby created for the City of Watauga a board which shall be known as the "Economic Development Board" (hereinafter "the Board"). The Board

shall have powers and duties as follows:

- (A) To encourage and promote the creation and expansion of economic opportunities and quality business enterprise in the City of Watauga.
- (B) To recommend and implement with City Council approval both long-term and short-term plans to attract quality business enterprise to the City of Watauga.
- (C) To confer with and advise residents and business operators of means by which they may best attract and maintain quality business and commerce to the City of Watauga.
- (D) To provide information and education to prospective businesses seeking to locate in the City of Watauga.
- (E) Make recommendations to the City Council concerning the utilization of city, state, federal or private funds to promote economic development in the City of Watauga.
- (F) Advise the City Council and City Manager with respect to formulating a plan for the location of trades, businesses, industries and location of buildings designed for specific uses.
- (G) To thoroughly familiarize itself with the structures, land, areas, and districts within the City of Watauga that may be utilized for quality business and economic development opportunities.
- (H) To present an economic development plan to the City Council annually.
- (I) To examine and update the economic development plan and present any modifications to the City Council.
- (J) To serve as an advisory body to the City Council concerning economic development and business opportunities in the City of Watauga.
- (K) To do and perform such other acts as shall be delegated to the Board by the City Council.
- (L) The Board shall have no authority in the hiring or assignment of employees, volunteers or reserves of any department in the City of Watauga. The Board shall not have any authority in the activities or the establishment of salary ranges for such employees. Further, the Board and its members shall direct all communications concerning City officers and employees through the office of the City Manager and neither the Board or its members shall instruct or

direct any such officer or employee, either publicly or privately.

- (M) The Board shall have the authority to confer with or retain the advice of outside advisory sources with the consent and approval of the City Council.

SECTION 2: Residency Requirement

- (A) All except two (2) members of the Board described below shall be a resident of the City of Watauga and shall be qualified registered voters for the City of Watauga on the date of appointment to the Board and shall remain residents and qualified registered voters so long as they continue to serve on the Board. Two (2) members of the Board may be owners, operators, or managers of a business located in the City and need not be residents of the City.

SECTION 3: Members

- (A) The Board shall consist of not less than four (4) or more than seven (7) members who shall be appointed by the Mayor subject to the approval and consent of the City Council. The Board shall recommend to the Mayor names for filling places that may become vacant or have become vacant due to expiration, resignation, or removal. The Mayor may accept or reject the names submitted, but all recommended appointments by the Mayor to fill such positions shall be subject to approval by the City Council. Places on the Board shall be numbered one (1) through seven (7) with all members appointed for a two (2) year term to expire on August 31. Members serving in odd numbered places shall have their terms expire on each odd numbered year, and even numbered places shall have their terms expire on each even numbered year. All members serving on the Board as of the date this Ordinance is enacted shall have their current terms end on August 31, 1995 or 1996, as appropriate.

The Board shall recommend to the Mayor and City Council removal of any member of the Board who is absent from two (2) consecutive meetings without first notifying the Chair by 12:00 noon of the meeting date and/or fails to exhibit a general interest in the endeavors of the Board. Two (2) consecutive absences by a member shall require a specific agenda item at the next regularly scheduled meeting to determine if the reason for absence is sufficient for excusal, or constitutes a failure to exhibit a general interest in the endeavors of the Board. The City Council may, with just cause, remove any member appointed to the Board. All vacancies in the membership that may occur on the Board may have a replacement recommended by the Board to the Mayor, who may appoint the recommended individual or another individual, subject to the approval of the City Council for the length of the

unexpired term. If the Mayor fails to make a recommended appointment to fill any vacancy within sixty (60) days from the date of the vacancy or expiration, the City Council may, by majority vote, make an appointment without the Mayor's recommendation.

No City Staff member or employee shall be a member of the Board.

No regular member of the Board shall communicate directly with City Staff or the City Attorney, concerning Board matters, except for monthly reports. All other communications, inquiries or statements, advice or opinions, shall be directed to those individuals or agencies by either one or both of the Council liaisons.

SECTION 4: Liaisons

In addition to regular Board members, each Board shall have two (2) members of the City Council appointed by the Mayor subject to the approval and consent of City Council to serve as liaisons to that Board. The purpose of the liaisons is to provide guidance to the Board in matters pertaining to City administration and Home Rule Charter affairs, and to provide interface with City staff, the City Attorney, and the full City Council in any matters that may arise. City Council liaisons shall not have the right to vote in any matter before the Board, but shall have the right to fully participate in all discussions of matters that come before the Board.

The appointment of liaisons by the Mayor shall be at the second meeting in June of each year.

SECTION 5: Officers

- (A) The officers of the Board shall be a Chairperson or Chair, a Vice-Chairperson, and a Secretary.
- (B) At its first meeting in September of each year, the membership of the Board shall determine by majority vote the Chairperson, Vice-Chairperson and Secretary. Those positions shall be for a period of one(1) year, or until the first meeting after September 1 of the following year.
- (C) Vacancies that occur in office are to be filled as follows:
 - (1) In the event of a vacancy or incapacity of the Chairperson, the Vice-Chairperson shall become the Chair for the unexpired portion of the term.

- (2) Vacancies that occur in the other offices shall be filled by special election for the unexpired term.
 - (3) Vacancies occurring in any office shall be filled at the next meeting of the Board.
- (D) Duties of the officers shall be as follows:
- (1) Chairperson:
 - (A) Preside at all meetings.
 - (B) Represent the Board at public functions.
 - (C) Appoint special committees.
 - (D) Provide an agenda for each meeting, including any item requested by any other Board member, or by the Director of the Department with whom this Board directly interfaces. The agenda shall be provided to the City Secretary no less than five (5) working days prior to any meeting to provide proper posting notice in accordance with Texas Open Meetings Laws.
 - (E) Schedule meetings of the Board, if other than the preestablished time, day, week of the month.
 - (F) The chair shall vote only in case of a tie vote by the Board.
 - (2) Vice-Chairperson:
 - (A) Assist the Chairperson in directing the affairs of the Board and act in the Chair's absence.
 - (3) Secretary:
 - (A) Is responsible for the accuracy of the minutes of the Board's meetings. A draft copy of those minutes will be provided to the City Secretary within three (3) working days following any meeting.
 - (B) Shall sign the approved minutes.

SECTION 6: Service Without Compensation; Donations and Solicitation

- (A) All members of the Board shall serve without compensation.
- (B) The Board shall obtain authorization from the City Council through its liaison prior to seeking any donations, engaging in any solicitations, or other fund raising activity. All other revenues derived from fund raising activities shall be deposited into the City of Watauga general fund and utilized to support

related activities as determined by the City Council during budgeting process or review for all city departments. No debts of any kind or character shall be made or incurred by the Board or anyone acting on its behalf without the express authority of the City Council.

SECTION 7: Meetings

The Board shall hold regular monthly meetings and shall by majority vote determine the time and place of those scheduled meetings. Variations from this schedule will be on an as needed basis to be determined and scheduled by the Chairperson. A quorum shall consist of a majority of the regularly appointed members serving on the Board at that time. Council liaisons shall not be counted to constitute a quorum. The meetings shall be conducted under the requirements of *Roberts Rules of Order* with the Chairperson presiding at each meeting or the vice-chairperson in the Chairperson's absence. The Secretary of the Board shall record the minutes of the proceedings of the meetings and shall submit the same to the City Manager through the City Secretary as previously described for inclusion in the monthly report from the City Manager to the City Council. All meetings shall be open to the public and shall be conducted in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as now or hereafter amended.

SECTION 8: Reports

- (A) City departments are to furnish the Board with reports and services at the direction of the City Manager or City Council.
- (B) The Board may receive reports, advice and available services from the various City departments as required and directed by the City Manager or his designated representative.

II.

This ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas and this ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

III.

If any section, subsection, sentence, clause or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

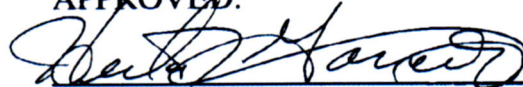
IV.

This ordinance shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law.

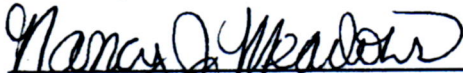
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this

26th day of June, 1995.

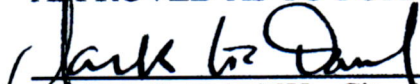
APPROVED:


HECTOR F. GARCIA, Mayor

ATTEST:


NANCY MEADOWS, City Secretary

APPROVED AS TO FORM:


MARK G. DANIEL, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1067

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS REPEALING CHAPTER 2, ARTICLE X OF THE CODE OF ORDINANCES OF THE CITY OF WATAUGA TO ABOLISH THE ECONOMIC DEVELOPMENT BOARD AND TRANSFER RESPONSIBILITIES TO THE MAYOR, CITY COUNCIL MEMBERS AND STAFF; PROVIDING THAT ALL ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE

WHEREAS, upon the recommendation of current members of the Economic Development Board, the City Council of the City of Watauga, Texas recognizes that a need exists to abolish the current Economic Development Board; and

WHEREAS, the City Council of the City of Watauga, Texas has determined that the duties of the Economic Development Board should be transferred to the Mayor, City Council Members, and staff of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS THAT:

I.

Chapter 2, Article X, of the Code of Ordinances of the City of Watauga, titled "Economic Development Board" is hereby repealed in its entirety and the Economic Development Board is hereby abolished.

II.

The primary mission of visiting businesses and maintaining good city/business relations is hereby assigned to the Mayor, City Council Members, and staff of the City of Watauga.

III.

This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas and this ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance(s) are hereby repealed.

IV.

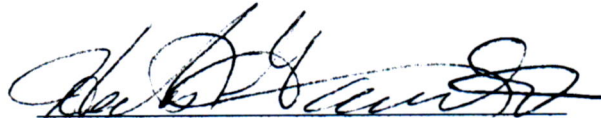
If any section, subsection, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

V.

This Ordinance shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law.

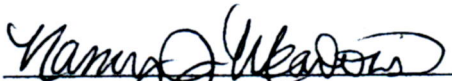
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 21st day of May, 2001.

Approved:

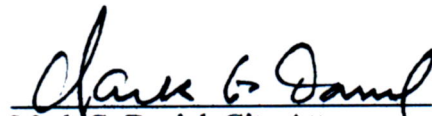


Hector F. Garcia, Mayor

Attest:


Nancy J. Meadows, City Secretary

Approved as to form and legality:


Mark G. Daniel, City Attorney

CITY OF WATAUGA, TEXAS

ORDINANCE NO. 705

AN ORDINANCE ratifying, confirming, and validating the levy and collection of an additional sales and use tax authorized by Vernon's Ann. Civ. St., Article 5190.6, Section 4B, as amended and an election held in the City of Watauga, Texas on May 7, 1994; ratifying and confirming the imposition and collection of such tax prior to the date of adoption of this Ordinance; providing a retroactive effective date for this Ordinance; and resolving other matters incident and related thereto.

WHEREAS, in accordance with the provisions of Vernon's Ann. Civ. St., Article 5190.6, Section 4B, as amended (the "Act") and V.T.C.A., Tax Code, Chapter 312, an election was held in the City of Watauga, Texas on May 7, 1994, to submit the question on the levy and collection of an additional one-half of one percent sales and use tax within the City of Watauga pursuant to the Act for use and application in the manner and to the purposes authorized by Section 4B of the Act, including but not limited to, land, facilities, equipment and open space improvements for parks and recreation; and

WHEREAS, on the 23rd day of May, 1994, Ordinance No. 670 was passed and adopted by the City Council canvassing the returns of such election and declaring such proposition on the levying and collection of such sales and use tax to have passed; and

WHEREAS, a copy of Ordinance No. 670 was provided to the Comptroller of Public Accounts of the State of Texas, and following such notification to said state official, such additional sales and use tax has been imposed and collected within the City since October 1, 1994; and

WHEREAS, a question has been raised whether Ordinance No. 670 effectively provided for the levy of such sales and use tax and to avoid any issue concerning the its imposition and levy, the City Council has decided to ratify, confirm and validate the levy and imposition of the additional one-half sales and use tax approved and authorized at the election held on May 7, 1994; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS:

SECTION 1: There shall be and is hereby adopted and levied a sales and use tax within the City for the benefit of the Watauga Parks Development Corporation at a rate of one-half of one percent on the sales of items at retail and a use tax at the same rate on the use, storage or other consumption within the City of tangible

personal property purchased, leased or rented from a retailer during such time as such tax is effective within the City. Such tax shall be imposed, computed, administered, collected and remitted in accordance with V.T.C.A., Tax Code, Chapter 321, except as inconsistent with Section 4B of the Act. The effective date of the tax levied by this Ordinance and imposed in accordance with Section 4B of the Act is October 1, 1994.

SECTION 4: The imposition and collection of such sales and use taxes since October 1, 1994 and the receipt of such tax receipts by the City under the Act is hereby in all respects ratified, confirmed and approved.

SECTION 5: It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 6: This Ordinance shall be take effect as of October 1, 1994 and be in force and effect immediately following its final adoption on the date shown below and it is so ordained.

PASSED ON FIRST READING, June 19, 1995.

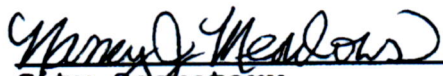
PASSED ON SECOND READING AND FINALLY ADOPTED, this June 26, 1995.

CITY OF WATAUGA, TEXAS



Mayor

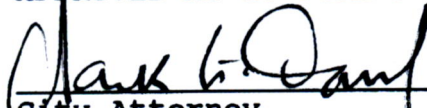
ATTEST:



City Secretary

(City Seal)

APPROVED AS TO FORM AND LEGALITY:



City Attorney

CITY OF WATAUGA, TEXAS

ORDINANCE NO. 665

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, CALLING A SALES AND USE TAX ELECTION TO BE HELD WITHIN THE CITY, MAKING PROVISIONS FOR THE CONDUCT THEREOF AND OTHER PROVISIONS RELATING THERETO.

WHEREAS, pursuant to Article 5190.6, Vernon's Texas Civil Statutes, as amended (the "Act") the City Council of the City of Watauga, Texas (the "City"), is authorized, and hereby finds and determines that it is appropriate, advisable, and in the best interests of the citizens of the City, to call and hold a referendum election in the City for the purpose of submitting a proposition pertaining to the levy and collection of an additional one-half cents sales and use tax within the City for the purposes hereinafter set forth; and

WHEREAS, the General Election has been called for May 7, 1994 in the City of Watauga.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, AS FOLLOWS:

I.

In conjunction with the General Election to be held May 7, 1994, the following proposition shall be submitted to a vote of the qualified voters of the City:

PROPOSITION

The levy and collection of an additional one-half of one percent sales and use tax within the City pursuant to the provisions of Article 5109.6, Vernon's Texas Civil Statutes, as amended (the "Act"), with the proceeds thereof to be used and applied in the manner and to the purpose authorized by Section 4B of the Act, including but not limited to, land, facilities, equipment and open space improvements for Parks and Recreation.

II.

The Proposition shall be set forth substantially in the following form, so as to permit the electors to vote "FOR" or "AGAINST" the Proposition, to wit:

THE LEVY AND COLLECTION OF AN ADDITIONAL ONE-HALF OF ONE PERCENT SALES AND USE TAX FOR THE PURPOSE OF PROVIDING LAND, FACILITIES, EQUIPMENT FOR PARKS AND RECREATION, OPEN SPACE IMPROVEMENTS, AND OTHER FACILITIES PERMITTED BY SECTION 4B OF ARTICLE 5190.6, VERNON'S TEXAS CIVIL STATUTES, AS AMENDED.

_____ FOR
_____ AGAINST

III.

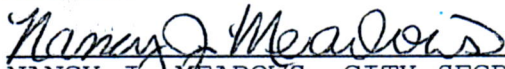
Substantial copies of the Ordinance in both English and Spanish shall serve as proper notice of the Election, and said notice shall be (a) published once in a newspaper of general circulation within the City not earlier than the 30th day, or later than the 10th day before the Election and (b) posted not later than the 21st day before the Election on the bulletin board used for posting of meetings of the City Council of the City.

PASSED AND APPROVED on the 14th day of March, 1994, at a regular meeting of the City Council of the City of Watauga, Texas.

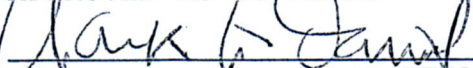
APPROVED:


A.W. GIRTMAN, MAYOR

ATTEST:


NANCY J. MEADOWS, CITY SECRETARY

APPROVED AS TO FORM:


MARK G. DANIEL, CITY ATTORNEY

NO. 94-7-25
A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS APPROVING THE ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION TO THE WATAUGA INDUSTRIAL DEVELOPMENTS CORPORATION TO BE FILED BY THE WATAUGA INDUSTRIAL DEVELOPMENT CORPORATION WHICH CHANGE THE CORPORATION'S NAME AND REGISTERED AGENT AS WELL AS UPDATE THE CORPORATION FROM A LABOR CODE, SECTION 5190.6 CORPORATION TO A LABOR CODE SECTION 5190.6, SECTION 4B CORPORATION; PROVIDING THAT ALL RESOLUTIONS AND/OR ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Watauga, Texas that:

I.

The City Council of the City of Watauga does hereby approve the proposed Articles of Amendment for the Watauga Industrial Development Corporation which are to read as follows:

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION BY THE DIRECTORS OF THE WATAUGA INDUSTRIAL DEVELOPMENT CORPORATION

I.

Pursuant to the provisions of Article 5190.6, Section 9(a) Vernon's Annotated Texas Statutes, the undersigned officers adopt the following change of the Corporation's registered agent as authorized by the board

The former registered office and agent are:

The street address of the registered office is 7101 Whitley Road, Watauga, Texas 76148 and the name of its registered agent at such address is Mr. H.R. McComber.

The successor registered office and agent are:

The street address of the registered office is 7101 Whitley Road, Watauga, Texas 76148 and the name of its registered agent at such address is Nancy Meadows.

The addresses of the registered agent and the registered office are identical.

II.

Pursuant to the provisions of Article 5190.6, Section 17(b) Vernon's Annotated Texas Statutes, the undersigned officers adopt the following Articles of Amendment to the Articles of Incorporation of the corporation as approved by the City Council for the City of Watauga, Texas on July 25, 1994 which change the corporation from an Article 5190.6 V.A.T.S. corporation to an Article 5190.6, Section 4B V.A.T.S. corporation.

ARTICLE ONE: The name of the corporation is the Watauga Industrial Development Corporation.

ARTICLE TWO: The following amendments to the Articles of Incorporation were approved by resolution of the City Council for the City of Watauga on July 25, 1994 as adopted by the board of directors of the corporation:

(1) The name of the corporation is hereby changed from the Watauga Industrial Development Corporation to the Watauga Parks Development Corporation.

(2) Article IV of the Articles of Incorporation is hereby amended to read as follows:

ARTICLE IV

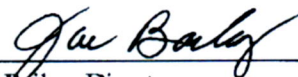
The Corporation is organized exclusively for the purposes of benefitting and accomplishing public purposes of, and to act on behalf of the City of Watauga, Texas and the specific purposes for which the Corporation is organized and

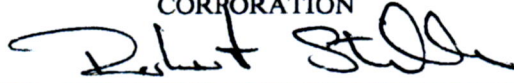
promote and encourage employment and public welfare, pursuant to the Development Corporation Act of 1979, Article 5190.6, Section 4B, Vernon's Annotated Civil Statutes, as now or hereafter amended. The Corporation is a constituted authority and a public instrumentality within the meaning of the regulations of the United States Treasury Department and the ruling of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and the Corporation is authorized to act on behalf of the City of Watauga, Texas as provided in these Articles of Incorporation. The Corporation is not a political subdivision or political corporation of the State of Texas within the meaning of its constitution, and no agreements, bonds, debts, or obligations of the Corporation are or shall ever be deemed to be the agreements, bonds, debts or obligations or the lending of credit, or grant of public money or any thing of value, of or by the City of Watauga, Texas or any other political corporation, subdivision, or agency of the State of Texas, or a pledge of faith and credit of any of them.

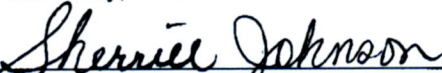
ARTICLE THREE: The corporation has no members and is a nonstock corporation.

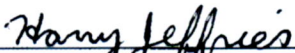
Approved on this the 21 day of JULY, 1994.

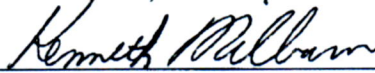
WATAUGA INDUSTRIAL DEVELOPMENT
CORPORATION

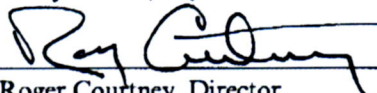

Joe Bailey, Director

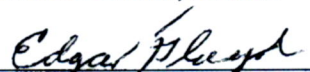

Bob Stiller, Director


Sherril Johnson, Director


Harry Jeffries, Director


Kenneth Millburn, Director


Roger Courtney, Director


Edgar Floyd, Director

II.

All Resolutions, or portions thereof, of the City of Watauga in conflict with the provisions of this Resolution to the extent that such are in conflict, are hereby repealed. To the

III.

If any section, subsection, sentence, clause or phrase of this Resolution shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of the Resolution which shall remain in full force and effect.

IV.

This Resolution shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas on this 25th day of July, 1994.

APPROVED:

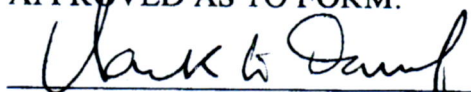


A. W. GIRTMAN, Mayor

ATTEST:


NANCY J. MEADOWS, City Secretary

APPROVED AS TO FORM:


MARK G. DANIEL, City Attorney

CITY OF WATAUGA, TEXAS

ORDINANCE NO. 670

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, CANVASSING THE RETURNS AND DECLARING THE RESULTS OF THE SPECIAL SALES AND USE TAX ELECTION HELD MAY 7, 1994.

WHEREAS, an election was held in the City of Watauga, Texas on the 7th day of May, 1994 for the purpose of submitting a proposition to a referendum vote of the qualified voters of the City to permit the electors to vote "FOR" or "AGAINST" the levy and collection of an additional one-half of one percent sales and use tax; and

WHEREAS, it is hereby found and determined that notice of the election was duly given in the form, manner and time required by law and said election was in all respects legally held and conducted in accordance with applicable laws of the State of Texas and the proceedings calling and governing the holding of such election; and

WHEREAS, the returns of said election have been duly and legally made and submitted to the City Council for canvassing, and the returns, as canvassed and tabulated by this governing body, reflect that the votes cast and counted at the election with respect to the proposition submitted were as follows:

PROPOSITION

THE LEVY AND COLLECTION OF AN ADDITIONAL ONE-HALF OF ONE PERCENT SALES AND USE TAX FOR THE PURPOSE OF PROVIDING LAND, FACILITIES, EQUIPMENT FOR PARKS AND RECREATION, OPEN SPACE IMPROVEMENTS, AND OTHER FACILITIES PERMITTED BY SECTION 4B OF ARTICLE 5190.6 VERNON'S TEXAS CIVIL STATUTES, AS AMENDED.

	ELECTION DAY	EARLY VOTING	TOTAL
FOR	402	126	528
AGAINST	256	76	332
TOTAL VOTES CAST	658	202	860

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS:

That all the recitals contained in the preamble of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its judgment.

That is further found and determined that the results of the election are as canvassed and tabulated in the preamble hereof and a majority of the electors voting at said election voted for the adoption of the One-Half of One Percent Sales and Use Tax within said City.

That the City Council of the City of Watauga, Texas, hereby officially declares that said One-Half Cent Sales and Use Tax Election results have been properly and lawfully canvassed and the proposition passed.

I.

This ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas, and this ordinance shall not operate to repeal or affect any of such other ordinances, except insofar as the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

II.

If any section, sub-section, sentence, clause or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

III.

This ordinance shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas on this 23rd day of May, 1994.

APPROVED:

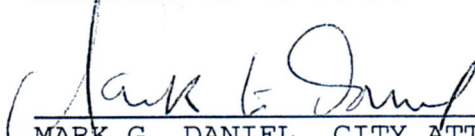


A.W. GIRTMAN, MAYOR

ATTEST:


NANCY J. MEADOWS, CITY SECRETARY

APPROVED AS TO FORM:


MARK G. DANIEL, CITY ATTORNEY

RESOLUTION NO. 83711

A RESOLUTION by the City Council of the City of Watauga, Texas, approving the initial bylaws governing the affairs of Watauga Industrial Development Corporation.

WHEREAS, by Resolution No. 83523, passed and approved May 23, 1983 (the "Resolution"), this City Council (the "Governing Body") of the City of Watauga, Texas (the "Unit"), approved and authorized the creation and establishment of Watauga Industrial Development Corporation (the "Corporation");

WHEREAS, in the Resolution the Governing Body of the Unit, acting for and on behalf of the Unit, approved the form of the Articles of Incorporation (the "Articles") and the initial Bylaws (the "Bylaws") of the Corporation attached to the Resolution;

WHEREAS, the Articles, in the form attached to the Resolution, were filed in the office of the Secretary of State of the State of Texas on June 15, 1983; and

WHEREAS, the Bylaws inadvertently were not attached to the Resolution; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS:

SECTION 1: That the Bylaws of the Corporation, in the form attached hereto, are hereby approved for use and adoption by the Corporation; provided, however, that any amendments to the Bylaws shall be subject to the further approval of this Governing Body.

SECTION 2: That it is hereby officially found, determined, recited, and declared that sufficient written notice of the date, hour, and place of this meeting and the subject matter of this resolution was posted on a bulletin board located at a place convenient to the public in the time and manner required by Article 6252-17, V.A.T.C.S. (the Open Meeting Law) and the meeting was at all times open to the public during which the subject matter hereof and this resolution was discussed, considered, and formally acted upon.

SECTION 3: That this resolution shall be effective immediately from and after its passage, and it is so resolved.

PASSED AND ADOPTED, this the 11th day of July, 1983.

Vigil R. Anthony Sr.
Mayor, City of Watauga,
Texas

ATTEST:

Nancy J. Meadows
City Secretary, City of
Watauga, Texas

(City Seal)

BY LAWS OF
WATAUGA INDUSTRIAL DEVELOPMENT CORPORATION

ARTICLE I

POWERS AND PURPOSES

SECTION 1: Financing of Industrial Development Projects. In order to implement the purposes for which the Corporation was formed as set forth in the Articles of Incorporation, the Corporation shall issue obligations to be used to finance all or part of the cost of one or more projects, pursuant to the provisions and in furtherance of the purposes of the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Civil Statutes, as amended (the "Act").

SECTION 2: Conditions Precedent to Issuance of Obligations. The Corporation shall not issue any obligations unless:

(1) The City Council (the "Governing Body") of the City of Watauga, Texas (the "Unit"), has adopted a resolution no more than sixty (60) days prior to the date of delivery of the obligations specifically approving the resolution of the Corporation providing for the issuance of the obligations; and

(2) The Texas Industrial Commission, or the executive director thereof, has approved the contents of any lease, sale, or loan agreement made by the Corporation under the Act in connection with the issuance of obligations in accordance with the Act and any regulations promulgated thereunder.

SECTION 3: Books and Records; Approval of Programs and Financial Statements. The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be

inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the Governing Body will have access to the books and records of the Corporation. The Unit shall be entitled to approve all programs and expenditures of the Corporation and annually review any financial statements of the Corporation.

SECTION 4: Nonprofit Corporation. The Corporation shall be a nonprofit corporation, and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any individual, firm, or corporation, except that in the event the Board of Directors of the Corporation (the "Board of Directors") shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation issued to finance all or part of the cost of a project, then any net earnings of the Corporation thereafter accruing with respect to said project shall be paid to the Unit.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1: Powers, Number, and Term of Office. The property and affairs of the Corporation shall be managed and controlled by the Board of Directors and, subject to the restrictions imposed by law, the Articles of Incorporation, and these ByLaws, the Board of Directors shall exercise all of the powers of the Corporation.

The Board of Directors shall consist of seven (7) directors, each of whom shall be appointed by the Governing Body.

LGC 505.051
The directors constituting the first Board of Directors shall be those directors named in the Articles of Incorporation, each of whom shall serve for six (6) years or until his or her successor is appointed as hereinafter provided. Subsequent directors shall hold office for a term of six (6) years or until their successors are appointed as hereinafter provided.

2 yr Term per LGC 505.051
Any director may be removed from office, by the Governing Body, for cause or at will.

SECTION 2: Meetings of Directors. The directors may hold their meetings at such place or places in the State of Texas, as the Board of Directors shall from time to time determine; provided, however, in the absence of any such determination by the Board of Directors, the meetings shall be held at the registered office of the Corporation in the State of Texas.

See LGC 505.055

SECTION 3: Regular Meetings. Regular Meetings of the Board of Directors shall be held without necessity of notice at such times and places as shall be designated, from time to time, by resolution of the Board of Directors.

SECTION 4: Special Meetings. Special Meetings of the Board of Directors shall be held whenever called by the president, by the secretary, by a majority of the directors for the time being in office, or upon advise of or request by the Governing Body.

The secretary shall give notice to each director of each Special Meeting in person, or by mail, telephone, or telegraph, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon.

SECTION 5: Quorum. A majority of the directors fixed by these bylaws shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

SECTION 6: Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.

The secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting.

SECTION 7: Executive Committee. The Board of Directors, by resolution passed by a majority of the directors in office, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Corporation, except where action of the Board of Directors is specified by law. The executive committee

shall act in the manner provided in such resolution. The executive committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Corporation, and shall report the same to the Board of Directors from time to time.

SECTION 8: Compensation of Directors. Directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE III

OFFICERS

SECTION 1: Titles and Term of Office. The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time elect or appoint. One person may hold more than one office, except that the president shall not hold the office of secretary. Terms of office shall not exceed three years.

All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board of Directors.

A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

SECTION 2: Powers and Duties of the President. The president shall be the chief executive officer of the Corporation and, subject to the Board of Directors, he shall be in general charge of the properties and affairs of the Corporation; he shall preside at all meetings of the Board of Directors; in furtherance of the purposes of this Corporation, he may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments in the name of the Corporation.

SECTION 3: Vice President. The vice president shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the president during that officer's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence, or inability to act, of the president at the time such action was taken.

SECTION 4: Treasurer. The treasurer shall have custody of all the funds and securities of the Corporation which come into his hands. When necessary or proper, he may endorse, on behalf of the Corporation, for collection, checks, notes, and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors; he may sign all receipts and vouchers for payment made to the Corporation, either alone or jointly with such other officer as is designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be entered regularly in the books of the Corporation to be kept by him for that purpose full and accurate accounts of all monies received and paid out on account of the Corporation; he shall perform all acts incident to the position of treasurer subject to the control of the Board of Directors; he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form and amount as the Board of Directors may require.

SECTION 5: Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he shall attend to the giving and serving of all notices; in furtherance of the purposes of this Corporation, he may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; he shall have charge of the corporate books, records, documents, and instruments, except the books of account and financial records and securities of which the treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection upon application at the office of the Corporation during business hours, and he shall in general perform all duties incident to the office of secretary subject to the control of the Board of Directors.

SECTION 6: Compensation. Officers, as such, shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE IV

PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

SECTION 1: Effective Date. These Bylaws shall become effective only upon the occurrence of the following events:

- (1) the approval of these Bylaws by the Governing Body; and
- (2) the adoption of these Bylaws by the Board of Directors.

SECTION 2: Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation may at any time and from time to time be amended, provided that the Board of Directors files with the Governing Body a written application requesting that the Governing Body approve such amendment to the Articles of Incorporation, specifying in such application the amendment or amendments proposed to be made. If the Governing Body by appropriate resolution finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Articles as provided in the Act.

The Articles of Incorporation may also be amended at any time by the Governing Body at its sole discretion by adopting an amendment to the Articles of Incorporation of the Corporation by resolution of the Governing Body and delivering the Articles of Amendment to the Secretary of State as provided in the Act.

These Bylaws may be altered, changed, or amended at any meeting of the Board at which a quorum is present, provided notice of the proposed alteration, change, or amendment be contained in the notice of such meeting, by the affirmative vote of a majority of the directors present at such meeting. No amendment to the Bylaws of the Corporation shall be effective until approved by the Governing Body of the Unit.

SECTION 3: Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V

GENERAL PROVISIONS

SECTION 1: Principal Office. The principal office of the Corporation shall be located in Watauga, Texas.

The Corporation shall have and continuously maintain in the State of Texas (the "State") a registered office, and a registered agent whose business office is identical with such registered office, as required by the Act. The registered office may be, but need not be, identical with the principal office in the State, and the address of the registered office may be changed from time to time by the Board of Directors, pursuant to the requirements of the Act.

SECTION 2: Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors.

SECTION 3: Financial Statement. The Corporation shall, at least once each calendar year, submit to the City Manager of the Unit a report showing (i) all programs undertaken by the Corporation during the preceding year, and (ii) the financial condition of the Corporation and any of the projects it has financed. In the event such financial statements are not certified by a public accountant or a certified public accountant, the Corporation shall be required to pay the actual cost of an audit by either the City Manager or a certified public accountant selected by the Unit.

SECTION 4: Unsecured Loans. The Corporation shall not be empowered to make any unsecured loans or other indebtedness which matures more than one year from the date incurred without the approval of the Governing Body.

SECTION 5: Seal. The seal of the Corporation shall be as determined by the Board of Directors.

SECTION 6: Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a

director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless required by the Board of Directors. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

SECTION 7: Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

SECTION 8: Action Without a Meeting of Directors or Committees. Any action which may be taken at a meeting of the Board of Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Secretary of State, the Texas Industrial Commission, or any other person.

SECTION 9: Approval or Advice and Consent of the Governing Body. To the extent that these Bylaws refer to any approval by the Unit or refer to advice and consent by the Unit, such advice and consent shall be evidenced by a certified copy of a resolution, order, or motion duly adopted by the Governing Body.

SECTION 10: Organizational Control. The Unit may, at its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Corporation (including the power to terminate the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation.

SECTION 11: Dissolution of the Corporation. Upon the dissolution of the Corporation, title to or other interests in any real or personal property owned by the Corporation at such time shall vest in the Unit.

* * * * *

Bylaws Approved by the Unit:

Vigil R. Anthony ch,

Bylaws Adopted: 7/11/83

Curtis Williams
Secretary, Board of Directors

LAW OFFICES
EVANS, DANIEL, MOORE, EVANS & LAZARUS
(NOT A PARTNERSHIP)

MARK G. DANIEL

BOARD CERTIFIED - CRIMINAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION

CRIMINAL TRIAL SPECIALIST-BOARD CERTIFIED
NATIONAL BOARD OF TRIAL ADVOCACY

SUNDANCE SQUARE
115 WEST SECOND STREET, SUITE 202
FORT WORTH, TEXAS 76102

(817) 332-3822
FACSIMILE (817) 332-2763

OF COUNSEL

TIM EVANS
TIM MOORE
LANCE T. EVANS
AL LAZARUS

August 14, 2012

Dr. Scott Neils
City Manager
7105 Whitley Road
Watauga, Texas 76148

Via Email

Re: Whether tax revenue for the Park Development Corporation can be used to pay the salary of employees

Dear Dr. Neils:

This letter is written pursuant to the attorney client privilege in rendition of professional legal services by myself to the City of Watauga. This communication shall remain confidential and is not intended to be disclosed to third persons or others than those to whom disclosure is made and in furtherance of the rendition of such professional legal services to the City of Watauga or its duly authorized representative.

You have sought my opinion on whether tax revenue for the Watauga Park Development Corporation (hereinafter "PDC"), can be used to pay the salary of City employees. You indicated that Section 505.303(a) of the Local Government Code provides that the costs of a publicly owned and operated project purchased or constructed under Chapter 505 included the maintenance and operating costs of the project. You further indicated that you felt that maintenance and operating costs would include salaries.

The term "maintenance and operating costs" is not defined in the Local Government Code. However, "operating costs" can include salaries of employees. Assuming that "operating costs" includes salaries, Section 505.303(a) only authorizes operating costs for authorized projects under Chapter 505. Therefore, it is my opinion that any salaries that are paid to employees out of PDC funds can only be paid from those funds for work performed by employees on "authorized" PDC projects. For example, the salary of a maintenance worker could be paid out of PDC funds for mowing the grass for an approved PDC project, with the remainder of

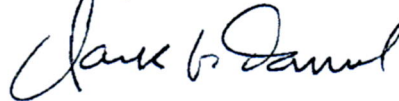
Dr. Scott Neils
August 14, 2012
Page 2

the salary paid out of the general fund for time spent mowing the grass at municipal buildings that are not part of a PDC project.

I understand the practical problems that such an interpretation may present. I also understand that other cities may not utilize such a strict interpretation of Chapter 505. However, I believe this to be the intent of the Texas legislature when the statute was passed.

Thank you for your attention to the above and the opportunity to be of assistance. If you have any questions regarding this matter, please do not hesitate to contact my office.

Sincerely,



MARK G. DANIEL
City Attorney
City of Watauga

MGD/ram

Encl.

cc: Mayor Henry Jeffries
Ms. Zolaina Reyes

ECONOMIC DEVELOPMENT SALES TAX

JANUARY 2018



Glenn Hegar

Texas Comptroller of
Public Accounts

WHY LEVY A TYPE A OR B ECONOMIC DEVELOPMENT SALES TAX?

Voters in most Texas cities have the option of imposing a local sales and use tax to help finance their community's economic development efforts.

WHO IS ELIGIBLE?

TYPE A SALES TAX

Any city located in a county with a population of less than 500,000 may impose the tax under **Type A** if the new combined local sales tax rate would not exceed 2 percent.

Some cities located in counties with a population of 500,000 or more also may use **Type A** for economic development efforts but a city's eligibility varies from county to county. For information on which cities are eligible to impose the **Type A** tax in these counties, call the Comptroller's Data Analysis and Transparency Division at 800-531-5441, ext. 3-4679.

TYPE B SALES TAX

All cities are eligible to adopt the **Type B** sales tax in increments of 0.125 percent if the combined local sales tax rate would not exceed 2 percent.

HOW IS THE TAX ADMINISTERED?

DEVELOPMENT CORPORATIONS

For both **Type A** and **Type B**, the Development Corporation Act requires cities to establish a corporation to administer the sales and use tax funds.

The corporation must file articles of incorporation with the Secretary of State. The articles of incorporation must state that the corporation is governed by the Development Corporation Act of 1979 found in Chapters 501-505 of the **Local Government Code**.



BOARD OF DIRECTORS

A **Type A** or **Type B** corporation's board of directors serves at the pleasure of the city council and may be removed and replaced at any time and without cause. All expenditures authorized by a **Type A** or a **Type B** corporation also require approval by the city council.

Board meetings of **Type A** and **Type B** corporations must be held within the corporate limits of the authorizing municipality; unless the authorizing city is located in a county with a population of 30,000 or fewer where meetings may be held at any location within the county.

The following rules apply to terms and number of directors for each type of corporation:

- **Type A:** The city council must appoint a board of directors with at least five members to serve terms not to exceed six years. The statute does not specify qualifications for board members.
- **Type B:** The city council must appoint a board of seven directors. Three of the seven directors

A **Type A** or **B** sales tax can be levied in increments of 0.125% if the total rate does not exceed the 2% cap for all local sales tax rates combined.

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econ.dev@cpa.texas.gov

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered.
It is not a substitute for legal advice.

ECONOMIC DEVELOPMENT SALES TAX

The **Type A** sales tax is primarily intended for manufacturing and industrial development.

must not be employees or officers of the city or members of the city council. All directors are appointed to two-year terms. The directors must be residents of the city authorizing the sales tax if the city's population is 20,000 or more. For cities with fewer than 20,000 residents, directors must be residents of the county in which the majority of the city is located, or reside within 10 miles of the city and in a county that borders the county in which a majority of the city is located.

ADMINISTRATION EXPENSES

Type A and **Type B** corporations are authorized to pay administrative expenses (including staff) to implement the corporation's projects. These may include administrative expenses for acquisition, construction, improvement, expansion and financing of projects. Cities that perform some of the administrative functions for the corporations may seek reimbursement for administrative expenses related to projects overseen by city staff. Additionally, corporations may contract with private corporations or other entities to carry out industrial development programs or objectives.

TRAINING

Certain officials of cities that create a corporation and administrators of the corporation are required to attend an economic development training seminar within 90 days of taking office. Attendance is mandatory (at least once in a 24-month period) for the city attorney, the city administrator or the city clerk; and the executive director or other person who is responsible for the day-to-day administration of the corporation. Corporation funds may be used to pay the costs of attending the seminar.

The Comptroller's office may impose a penalty not to exceed \$1,000 for failure to attend the required training seminar.

OPEN MEETINGS AND PUBLIC HEARINGS

A development corporation's board of directors is subject to the Open Meetings Act (**Government**

Code, Chapter 551) and the Texas Public Information Act (**Government Code, Chap. 552.**)

- **Type A** corporations are required to hold public hearings only when considering an election asking the municipality's voters to authorize a **Type B** project.
- **Type B** corporations located in cities with populations not exceeding 20,000 residents are exempt from holding public hearings when implementing **Type A** projects such as those that fund infrastructure or primary jobs activities. All **Type B** corporations, regardless of city population, must hold public hearings on all other types of projects. In addition, all **Type B** corporations must wait 60 days from the first public notice of the nature of a project before providing funds. This interval allows voters time to consider a petition for an election to be called on whether to pursue the project.

HOW CAN TAX REVENUE BE USED?

Sales tax generated by both **Type A** and **Type B** is primarily intended to promote manufacturing and industrial development; **Type B** corporations may fund some quality of life projects, and efforts to retain primary jobs.



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BOTH TYPE A AND TYPE B

Funds may be used to pay for land, buildings, equipment, facilities' expenditures, targeted infrastructure and improvements for purposes related to:

- manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities;
- research and development facilities, regional or national corporate headquarters facilities, primary job training facilities for use by institutions of higher education, job training classes, telephone call centers, and career centers that are not located within a junior college taxing district;
- a general aviation business service airport that is an integral part of an industrial park;
- certain infrastructure improvements that promote or develop new or expanded business enterprises;
- airport facilities;
- the operation of commuter rail, light rail or commuter buses;
- port-related facilities, rail-ports, rail switching facilities, marine ports, inland ports; and
- maintenance and operating costs associated with projects.

TYPE A SPECIAL CONDITIONS

Under special conditions, a **Type A** Corporation's revenue can be used for projects normally eligible only under **Type B** without voting to abolish the **Type A** tax and impose the **Type B** tax.

- In cities with 7,500 or fewer residents that have created both types of corporation, the city council may authorize the **Type A** corporation to fund **Type B** projects by simple majority vote.
- In larger communities or those with only **Type A** corporations, the board of directors must publish notice of a proposed **Type B** project, hold at least one public hearing and conduct a special election to seek voter approval. The ballot must clearly describe the project under consideration.
- **Type A** corporations also may spend sales tax funds to clean up contaminated property if the city holds a separate election to gain voter approval. A corporation created under **Type A** cannot assume debts, or pay principal or interest on debts that existed before the city created the corporation.

TYPE B ELIGIBLE PROJECTS

Quality of Life: In addition to the projects listed above, **Type B** corporations may fund quality of life improvements, and acquire or pay for land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements required or suitable for use for:

- professional and amateur sports (including children's sports) and athletic facilities, tourism and entertainment facilities, convention facilities, public parks and event facilities (including stadiums, ballparks, auditoriums, amphitheaters, concert halls, parks and open space improvements, museums and exhibition halls); related store, restaurant, concession, parking and transportation facilities; related street, water and sewer facilities;
- water supply facilities and water conservation programs, and
- affordable housing.

Primary Job Retention: To promote and develop new and expanded business enterprises that create or retain primary jobs, a **Type B** corporation may provide funds for:

- public safety facilities;

The **Type B** sales tax provides cities with a wider range of uses for the tax revenues because it is intended to give communities an opportunity to undertake a project for quality of life improvements, including economic development that will attract and retain primary employers.

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ECONOMIC DEVELOPMENT SALES TAX

All **Type A** and **Type B** corporations must file an annual report with the Texas Comptroller of Public Accounts by Feb. 1.

- recycling facilities;
- streets and roads;
- drainage and related improvements;
- demolition of existing structures;
- general municipally-owned improvements;
- maintenance and operating costs associated with projects; and
- improvements or facilities that the board determines will contribute to the promotion or development of new or expanded business enterprises that create or retain primary jobs.

Landlocked communities: A city classified as a "landlocked" community may create a **Type B** corporation to fund projects that promote new or expanded business development without requiring the project to create or retain primary jobs. A landlocked community is defined as a city that is wholly or partly located in either Harris County or Dallas County and has less than 100 acres within its city limits and extraterritorial jurisdiction that can be used to develop manufacturing or industrial facilities in accordance with the zoning laws or land use restrictions of the city.

Small municipalities: A **Type B** corporation created by a city with a population of 20,000 or less also may fund projects that do not create or retain primary jobs. If a project of this nature would require an expenditure of more than \$10,000, the governing body of the city creating the corporation would have to adopt a resolution authorizing the project after giving the resolution at least two separate readings.

Infrastructure Improvements: A **Type B** corporation may promote new or expanded business development by funding streets and roads, rail spurs, water, sewer, electric and gas utilities, drainage, site improvements, and telecommunications and Internet improvements. Beach remediation along the Gulf of Mexico may also be funded.

A **Type B** corporation may, with voter approval of the project, spend sales tax for a water supply or water conservation program or to clean up contaminated property.

SPECIAL PROVISIONS FOR BORDER COMMUNITIES

Development corporations created by cities located within 25 miles of the Texas-Mexico border may fund airport facilities if the city has a population of less than 50,000 or an average unemployment rate that is greater than the state average rate during the most recent 12-month period for which data is available preceding the date the project is approved. In addition to airports, **Type A** and **Type B** corporations located in Hidalgo County may fund ports, and sewer or solid waste disposal facilities required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises.

CAN YOU UNDERTAKE PROJECTS OUTSIDE CITY LIMITS?

An economic development corporation may undertake projects outside city limits so long as it is clear that the city benefits from the project. If a corporation undertakes a project outside city limits, it must receive permission to do so from the governing body of the entity with jurisdiction in that area. For example, if a corporation locates a project beyond the city limits, it should seek approval from the county's commissioners court.

REPORTING REQUIREMENTS OF TYPE A AND TYPE B CORPORATIONS

The Development Corporation Act requires that all **Type A** and **Type B** corporations file an annual report with the Texas Comptroller of Public

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Accounts by Feb. 1 of each year. The report must include the corporation's economic development objectives, revenues and expenditures for the preceding fiscal year, a breakdown of these expenditures and a list of the corporation's assets.

The Comptroller also may ask for any other information required to determine the use of revenue from sales and use tax imposed under **Type A** or **Type B** to encourage economic development in the state. The report form and instructions for submitting the report are available through the **Comptroller's website**. This information is compiled in the **Economic Development Corporation Report** to the Legislature each biennium.

HOW TO IMPOSE THE TAX AND CALL AN ELECTION?

City voters must approve this special, dedicated tax at an election held for that purpose. Cities may call for this election in one of two ways:

- the governing body may call an election on its own; or
- the city council must call for the election if petitioned by at least 20 percent of the number of voters who cast ballots in the most recent regular municipal election.

For guidance on the timing of elections, please contact the Secretary of State at 512-463-5650 or toll free at 800-252-8683. Additional information is available on the **Secretary of State website**.

The election must be held on one of the two uniform election dates:

- the second Saturday in May; or
- the first Tuesday after the first Monday in November.

HOW LONG IS THE TAX EFFECTIVE?

A development corporation's sales tax approved without a limit on its duration is effective until repealed by an election.

A tax imposed for a specified period expires at the end of that period; it may be extended or reimposed after its expiration date only with voter approval.

A tax for a specific project expires when all debts related to the project and obligations from the tax proceeds have been paid in full. A tax imposed for a specific project may also be reimposed by an election.

A **Type A** or **Type B** sales tax is effective until the city notifies the Comptroller's office to stop collecting the tax. A city must continue assessing the tax until all obligations incurred by the corporation, including principal and interest on bonds, are satisfied.

CAN THE TAX BE INCREASED OR DECREASED?

INITIATING AN ORDINANCE TO CHANGE THE TAX RATE

As with adoption, the sales and use tax rate must be increased or decreased in increments of 0.125 percent; the minimum **Type A** or **Type B** tax rate is 0.125 percent and may not result in a combined rate of all local sales and use taxes exceeding 2 percent.

If a city is already imposing an economic development sales tax, the city's governing body may adopt an ordinance calling for an election to increase, reduce or repeal the existing tax. The ordinance may be initiated by a majority vote of the governing body, or by a petition of registered voters.

PETITION REQUIREMENTS

A petition to initiate a change in the **Type A** tax requires 10 percent or more of the registered voters to request the city to call an election for that purpose.

The city's voters **must approve** an economic development tax before it can be enacted.

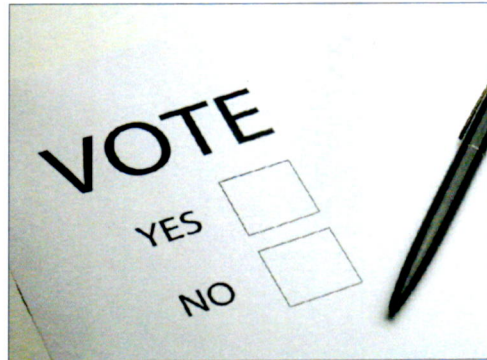
Economic development projects that clearly benefit a city may take place outside the city's limits.

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ECONOMIC DEVELOPMENT SALES TAX

Sales taxes paid by consumers in one month, are remitted to the Texas Comptroller the next month by businesses, and paid to the city during the following month.



No specific procedures for requesting **Type B** tax rate changes are included in the statute; however, general provisions of the **Texas Tax Code** for calling an election may be used. Under these provisions, the city council must call an election if a number of qualified voters of the municipality equal to at least 20 percent of the number of votes cast in the most recent regular municipal election present a petition to the governing body for a vote. Dissolution of a **Type B** corporation can be called for by petition of 10 percent of the registered voters in the city.

If the election to adopt or change the tax rate is by petition, the governing body must determine if the petition is sufficient within 30 days of receiving it. If the petition is sufficient, the city must, within 60 days after receiving it, adopt the ordinance that calls for the election to be held on the next uniform election date.

COMBINED BALLOT PROPOSITION

If a city chooses to hold an election to reduce or abolish its **Type A** sales tax and adopt a sales tax under **Type B**, the city may address the two issues in a single ballot proposition.

A municipality may combine into one ballot for voters to concurrently consider a proposition that:

- lowers or repeals any dedicated or special purpose municipal sales tax, and
- raises or adopts any other dedicated special purpose municipal sales tax (such as a sales tax levied to reduce the property tax rate).

Only sales tax elections that may be called by the governing body of a city are eligible for combined ballot propositions. If a combined sales tax

proposition is defeated, there is no effect on any existing sales taxes already imposed.

WHEN DO TAX COLLECTIONS AND ALLOCATIONS START?

CERTIFYING ELECTION RESULTS

If voters approve the tax, the governing body must adopt a resolution or ordinance declaring the election results in meeting minutes.

The city secretary must send the certified copy of the resolution or ordinance with the election results to the Revenue Accounting, Tax Allocation Section of the Comptroller's office. The information sent to the Comptroller must include:

- the date the election was held;
- the proposition voted on;
- number of votes cast for adoption;
- number of votes cast against adoption;
- number of votes by which the proposition was approved; and
- a statement the proposition was adopted.

The Comptroller's office must receive this information from the city secretary through U.S. certified or registered mail. The Comptroller's office will notify the city secretary when it is ready to handle the administration of the tax. Questions may be emailed to taxalloc.revacct@cpa.texas.gov.

COMPTROLLER'S ADDRESS

Comptroller of Public Accounts
Revenue Accounting Division
Tax Allocation Section
P.O. Box 13528
Austin, TX 78711-3528

EFFECTIVE DATE

The tax becomes effective after one complete calendar quarter elapses from the date the Comptroller's office receives notification of voter approval. For example, if voters approve the tax in May, and the Comptroller's office receives notification in June, then the tax becomes effective on Oct. 1, after the calendar quarter of July-August-

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September has elapsed. The Comptroller's office will notify area merchants to begin collecting the new tax rate on Oct. 1, and the Comptroller will send the city its first revenue allocation in December.

METHOD OF PAYMENT

The Comptroller's office will issue a payment for the total city tax and a letter with the first payment (that includes the economic development sales tax) with instructions explaining how to calculate the portion due the city and the amount due the development corporation. After a city receives the sales and use tax revenues from the Comptroller's office, the city must deliver the revenue to the development corporation.

NEED MORE INFORMATION ABOUT ECONOMIC DEVELOPMENT SALES TAX?

The Comptroller's office can provide presentations on matters related to local sales tax, including **Type A** and **Type B** sales taxes. Representatives also can meet in forums with city officials and the public to help them assess possible effects of the tax on their local communities, including effects on revenue. For more information about the sales tax, or to request a speaker to present information about the sales tax to your community, call 800-531-5441, ext. 3-4679.

The Texas Municipal League publishes an **Economic Development Handbook** containing more detailed information and statutory citations.

The tax becomes effective after one complete calendar quarter elapses from the date the Comptroller's office receives notification of voter approval.

BALLOT LANGUAGE FOR AN ECONOMIC DEVELOPMENT SALES TAX

UNDER TYPE A

Following is ballot language specified for **Type A** corporations under the Development Corporation Act:

1. For a city to adopt, increase or reduce the tax, the ballot must state: *The adoption of a sales and use tax for the promotion and development of new and expanded business enterprises at the rate of _____. (Insert rate in increments of one-eighth of one percent as appropriate for the proposed tax rate.)*
2. A city may also allow a vote on a ballot proposition limiting the length of time a sales and use tax may be imposed. The following language should be added to #1: *to be imposed for _____ years.*
3. A city may also indicate a specific project on the ballot to be funded with the sales tax revenue. In this case, a description of the project is substituted in #1 in place of the following ballot language: *new and expanded business enterprises.*
4. For a city to dissolve the **Type A** corporation, the ballot should state: *Dissolution of the (name of development corporation).*

UNDER TYPE B

Except for specific projects such as water supply facilities, water conservation programs and cleanup of contaminated property, the Development Corporation Act does not provide specific ballot language for **Type B**. City officials should consult with their legal counsel when drafting the ballot language under this section.

Disclaimer: This brochure should not be construed as, and is not a substitute for, legal advice. Cities are urged to consult their own legal counsel for any questions or interpretations about economic development laws.

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LOCAL SALES TAX OPTIONS

JANUARY 2018



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A city, county or special purpose district may adopt a sales tax provided the combined rate of all local sales taxes would not exceed 2 percent at any location within its territorial limits. All local sales taxes require voter approval.

SALES TAX OPTIONS FOR CITIES

SALES AND USE TAX

(Increments of 0.125 percent) – Most cities in Texas have this form of sales tax. It may be imposed by any incorporated city. Revenues are deposited into the city's general revenue fund and may be used for any lawful purpose. (**Tax Code, Chap. 321.**)

SALES TAX FOR ECONOMIC DEVELOPMENT*

(Increments of 0.125 percent) – Two options are available for a city to adopt this tax:

- **Type A** – This form of tax may be imposed by most incorporated cities. (There are exceptions in certain counties with mass transit systems). Revenues must be turned over to a development corporation formed to act on behalf of the city to carry out programs related to industrial development, business infrastructure and the promotion of new and expanded business enterprises that create or retain primary jobs.
- **Type B** – This form of tax may be imposed by any incorporated city. Revenues must be turned over to a development corporation formed to act on behalf of the city to carry out programs related to a wide variety of projects including business development and public parks.

For more detailed information, see the Comptroller's **Economic Development Sales Tax** brochure (PDF). (**Loc. Govt. Code, Chap. 501-505.**)



STREET MAINTENANCE SALES TAX

(Increments of 0.125 percent) – All cities are authorized to hold an election to adopt a sales tax to repair and maintain existing city streets. For most cities, the tax expires after four years unless a new election is held to reauthorize the tax. The revenue from this tax may be used only to maintain and repair existing city streets and sidewalks. For more detailed information, see the Comptroller's **Street Maintenance Sales Tax** brochure (PDF). (**Tax Code, Chap. 327.**)

MUNICIPAL DEVELOPMENT CORPORATION*

(0.125, 0.25, 0.375 or 0.5 percent) – A city may create a municipal development corporation to undertake projects that provide job training, early childhood education, after-school programs, scholarships, literacy promotion and other projects.

* This tax is actually imposed by a board, district or authority created by and for the benefit of a city or county.

The Comptroller's
online sales tax rate
tool locates all sales tax
rates in effect for any
Texas address.

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LOCAL SALES TAX OPTIONS

Local sales tax rates
may not exceed a
combined 2 percent.

Voters in the city may authorize adoption of a sales tax to fund activities of the corporation.

(**Loc. Govt. Code, Chap. 379A.**)

MUNICIPAL DEVELOPMENT DISTRICT*

(0.125, 0.25, 0.375 or 0.5 percent) – Cities may hold an election in all or part of a city, including the extraterritorial jurisdiction, to create a municipal development district and adopt a sales tax to fund the district. The district may undertake a variety of projects including a convention center, civic center, auditorium and other projects eligible for Type B Corporations under Chapter 505 of the Local Government Code. (**Loc. Govt. Code, Chap. 377.**)

FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES (EMS) DISTRICTS*

(0.125, 0.25, 0.375 or 0.5 percent) – Cities with a population between 25,000 and 550,000 or more than 1.9 million may create an EMS district. The district may include all or any part of a city. The district may finance the operation of a fire control, prevention and EMS program. (**Loc. Govt. Code, Chap. 344,** and **Tax Code, Sect. 321.106.**)

MUNICIPAL SALES TAX FOR PROPERTY TAX RELIEF

(Increments of 0.125 percent) – This “additional sales tax” may be imposed by most incorporated cities (there are exceptions in certain counties with rapid transit systems). Revenues are deposited into a city’s general revenue fund. Cities adopting this form of local sales tax must reduce the effective and rollback property tax rates within the city. For more detailed information, see the Comptroller’s **Using Sales Tax To Reduce The Property Tax Rate** brochure (PDF). (**Tax Code, Chap. 321.**)

SALES TAX OPTIONS FOR CITIES & COUNTIES

CRIME CONTROL AND PREVENTION DISTRICT*

(Increments of 0.125 percent up to 0.5 percent maximum rate) – This sales tax may be imposed by a city located in a county with a population of

more than 5,000 or by a county with a population of more than 130,000. The governing body in a municipality or commissioners court may specify the number of years (5, 10, 15 or 20) the district would be continued. Revenues from the sales tax may be used to finance a wide variety of crime control and prevention programs. (**Loc. Govt. Code, Chap. 363,** and **Tax Code, Sec. 323.105.**)

VENUE TAX “STADIUM BILL”

(Increments of 0.125 percent) – This sales tax is one of several revenue options available to a city or county to fund sports and community “venue” projects. Multiple cities and counties in any combination may join to form a venue district under Chapter 335, Local Government Code, as well. Some examples of a “venue” are a stadium, convention center, park or economic development-type facility. (The rate for a county imposing the tax is capped at one-half of one percent.)

For more detailed information, see the Comptroller’s **Sports and Community Venue Tax** brochure (PDF). (**Loc. Gov. Code, Chap. 334** and **335.**)

METROPOLITAN AND RAPID TRANSIT AUTHORITIES/MUNICIPAL TRANSIT DEPARTMENTS*

(0.25, 0.5, 0.75 or 1 percent) – In certain instances, authorities may be created to levy a sales tax to provide transportation services in participating cities. These are not offered statewide to all cities and are



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generally found in metropolitan areas. Cities may opt to join and, in some cases, withdraw from an authority with voter approval. The tax rate is generally implemented in 0.25-percent increments under **Transportation Code, Sect. 453.401. (Tax Code, Chap. 322 and Transportation Code, Chap. 451, 452, and 453.)**

SALES TAX OPTIONS FOR COUNTIES

COUNTY SALES TAX FOR PROPERTY TAX RELIEF

(0.5 or 1 percent) – This sales tax may be imposed by most by most counties also imposing an ad valorem tax. Revenues are deposited into a county's general revenue fund. The rate is 0.5 percent, except in counties with no territory within the limits of a municipality where the rate is 1 percent. Hospital districts also may impose this sales tax, but at different rates.

For more detailed information, see the Comptroller's **Using Sales Tax To Reduce The Property Tax Rate** brochure (PDF). (**Tax Code, Chap. 323.**)

COUNTY ASSISTANCE DISTRICT*

(Increments of 0.125 percent) – Counties may hold an election in all or part of the county, to create one or more county assistance districts and adopt a sales tax to fund the districts. A district may undertake a variety of projects including roads or highways; provision of law enforcement and detention services; the maintenance or improvement of libraries, museums, parks or other recreational facilities; or other services that benefit the public welfare.

For more detailed information, see the Comptroller's **County Assistance District Sales Tax** brochure (PDF). (**Loc. Govt. Code, Chap. 387.**)

EMERGENCY SERVICES DISTRICT (ESD)*

(Increments of 0.125 percent) – Counties may hold an election in all or part of the county, to create one or more emergency services districts and adopt a sales tax to fund the districts. Funds may be used to hire emergency personnel, contract with other entities to provide emergency services, and/or purchase equipment and facilities. (**Health and Safety Code, Chapters 775.**)

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Sales taxes paid on purchases this month are generally remitted to the Comptroller next month and allocated to local taxing entities the following month.

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THE WATAUGA PDC & LOCAL SALES TAX

LOCAL SALES TAX OPTIONS FOR CITIES

- Sales and Use Tax (Increments of 0.125 percent)
- Sales Tax for Economic Development (Increments of 0.125 percent)
- Street Maintenance Sales Tax (Increments of 0.125 percent)
- Municipal Development Corporation (0.125, 0.25, 0.375 or 0.5 percent)
- Municipal Development District (0.125, 0.25, 0.375 or 0.5 percent)
- Fire Control Prevention and Emergency Medical Services (EMS) Districts (0.125, 0.25, 0.375 or 0.5 percent)
- Municipal Sales Tax for Property Tax Relief (Increments of 0.125 percent)

LOCAL SALES TAX OPTIONS FOR CITIES & COUNTIES

- Crime Control and Prevention District (Increments of 0.125 percent up to 0.5 percent maximum rate)
- Venue Tax “Stadium Bill” (Increments of 0.125 percent)
- Metropolitan and Rapid Transit Authorities/Municipal Transit Departments (0.25, 0.5 or 1 percent)

WHAT SALES TAX OPTION IS THE WATAUGA PDC?

- Type B Economic Development Sales Tax
 - All cities are eligible to adopt the Type B sales tax in increments of 0.125 percent if the combined sales tax rate would not exceed 2 percent.
- The City of Watauga's Sales Tax Breakdown (2 percent):
 - 0.01 percent – General Revenue deposited in the General Fund
 - 0.0125 percent – Watauga PDC
 - 0.0125 percent – Street Maintenance
 - 0.0150 percent – Watauga Crime Control District

1¢
1/4¢
1/4¢
1/2¢

HOW IS THE TAX ADMINISTERED?

- Development Corporations
 - Board of Directors
 - Administration expenses
 - Training
 - Open Meetings and Public Hearings

DEVELOPMENT CORPORATIONS

- The Development Corporation Act requires cities to establish a corporation to administer the sales and use tax funds.
 - The corporation must file articles of incorporation with the Secretary of State.
 - The articles of incorporation must state that the corporation is governed by the Development Corporation Act of 1979 found in Chapters 501-505 of the Texas Local Government Code.

THE FORMATION OF THE WATAUGA PDC

- May 23, 1983
 - Resolution No. 83523 was approved authorizing the creation and establishment of the Watauga Industrial Development Corporation
- June 15, 1983
 - Articles of Incorporation were filed in the office of the Secretary of the State of Texas
- July 25, 1994
 - A resolution of the City Council was approved amending the articles of incorporation to change the name from the Watauga Industrial Development Corporation to the Watauga Parks Development Corporation and to declare the purpose of the Corporation to benefit and accomplish public purpose of promoting and developing commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare, pursuant to the Development Corporation Act of 1979, Section 4B.

BOARD OF DIRECTORS

- A Type B corporation's board of directors serves at the pleasure of the city council and may be removed and replaced at any time and without cause.
- All expenditures authorized by a Type B corporation also require approval by the city council.
- Board Meetings of Type B corporations must be held within the corporate limits of the authorizing municipality; unless the authorizing city is located in a county with a population of 30,000 or fewer where meetings may be held at any location within the county.
- For a Type B corporation city council must appoint a board of seven directors. Three of the seven directors must not be employees or officers of the city or members of the city council. All directors are appointed to two-year terms. The directors must be residents of the city authorizing the sales tax if the city's population is 20,000 or more.

WATAUGA PDC BOARD OF DIRECTORS

- July 16, 2013 – Watauga PDC Bylaws were approved by City Council
 - Section 2.02 states the number of directors of the corporation shall be seven and that each director must be a resident of the City of Watauga.
 - Section 2.03 states the directors shall be selected and appointed by the Watauga City Council and shall hold office for two year terms.
 - Section 2.05 states the entire BOD or any individual director may be removed from office with or without cause by majority vote of the Watauga City Council.
 - Section 2.06 requires all meetings of the Board of Directors be held within the city limits of Watauga.

WHEN WAS REVENUE ESTABLISH FOR THE PDC?

- March 14, 1994
 - Ordinance No. 665 was approved calling a Sales and Use Tax Election to be held within the City.
 - Proposition Language: The levy and collection of an additional one-half of one percent sales and use tax within the City pursuant to the provisions of Article 5109.6, Vernon's Civil Statutes, with the proceeds thereof to be used and applied in the manner and to the purpose authorized by Section 4B of the Act, including but not limited to, land, facilities, equipment and open space improvements for Parks and Recreation.
- May 7, 1994
 - Special Sales and Use Tax Election was held.
- May 23, 1994
 - Ordinance No. 670 was approved canvassing the returns of the May 7, 1994 Election.
 - Results: FOR 528, AGAINST 332, TOTAL VOTES CAST 860

REVENUE ESTABLISHED FOR THE PDC CONTINUED

- June 26, 1995
 - Ordinance No. 705 was approved to ratify, confirm and validate the levy and imposition of the additional one-half sales and use tax approved and authorized at the election held on May 7, 1994 after a question was raised whether Ordinance No. 670 effectively provided for the levy of such sales and use tax.
- January 23, 2012
 - Ordinance No. 1483 was adopted by the City Council calling for a special election to be held in said City on the 12th day of May 2012 for the decrease in the sales and use tax for the benefit of the Watauga Parks Development Corporation to one-fourth of one percent and the adoption of a local sales and use tax of one-fourth of one percent for maintenance and repair of municipal streets.
- May 21, 2012
 - Resolution No. 12-05-21-02 was adopted by the City Council canvassing the returns of the Special Election held on May 12, 2012.
 - Results: FOR 454, AGAINST 130, UNDERVOTES 13, TOTAL VOTES 597

REVENUE ESTABLISHED FOR THE PDC CONTINUED

- January 25, 2016
 - Ordinance No. 1614 was adopted by the City Council calling a special election to be held in said City on the 7th day of May 2016 for the continuation of the adoption of a local sales and use tax of one-fourth of one percent for maintenance and repair of municipal streets.
- May 23, 2016
 - Resolution No. 16-05-23-02 was approved by the City Council canvassing the returns of the special election held on May 7, 2016.
 - Results: FOR 250, AGAINST 49, UNDERVOTES 4, TOTAL VOTES 303

ADMINISTRATION EXPENSES

- Type B corporations are authorized to pay administrative expenses (including staff) to implement the corporation's projects. These may include administrative expenses for acquisition, construction, improvement, expansion and financing of projects.
- Cities that perform some of the administrative functions for the corporations may seek reimbursement for administrative expenses related to projects overseen by city staff.
 - Texas LGC Section 501.007 states a unit may not lend its credit or grant public money or another thing of value in aid of a corporation. Therefore, this Section requires the City to charge the Corporation for staff time associated with duties performed on behalf of the Corporation.
 - Can be done by agreement between the City and Corporation, interfund transfer agreed and approved by the Board and Council each budget cycle or actual chargeback of specific hours billed to the Corporation.
- Corporations may also contract with private corporations or other entities to carry out industrial development programs or objectives.

OPEN MEETINGS AND PUBLIC HEARINGS

- A development corporation's BOD is subject to TOMA (Government Code Chapter 551) and the Texas Public Information Act (Government Code Chapter 552)
- Type B corporations located in cities with populations of 20,000 or greater are required to hold public hearings when implementing Type A projects such as those that fund infrastructure or primary job activities.
- All Type B corporations must wait 60 days from the first public notice of the nature of a project before providing funds. This interval allows voters time to consider a petition for an election to be called on whether to pursue the project.

HOW CAN TAX REVENUE BE USED?

- Sales tax generated by Type B is primarily intended to promote manufacturing and industrial development.
- Type B corporations may fund some quality of life projects and efforts to retain primary jobs.

TYPE B ELIGIBLE PROJECTS

- Quality of life
 - Type B corporations may fund quality of life improvements, and acquire or pay for land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements required or suitable for use for:
 - Professional and amateur sports (including children's sports) and athletic facilities, tourism and entertainment facilities, convention facilities, public parks and event facilities (including stadiums, ballparks, auditoriums, amphitheaters, concert halls, parks and open space improvements, museums and exhibition halls); related store, restaurant concession, parking and transportation facilities; related street, water and sewer facilities;
 - Water supply facilities and water conservation programs
 - Affordable housing

TYPE B ELIGIBLE PROJECTS

- Primary job retention
 - To promote and develop new and expanded business enterprises that create or retain primary jobs, a Type B corporation may provide funds for:
 - Public safety facilities
 - Recycling facilities
 - Streets and roads
 - Drainage and related improvements
 - Demolition of existing structures
 - General municipally-owned improvements
 - Maintenance and operating costs associated with projects
 - Improvements or facilities that the board determines will contribute to the promotion or development of new or expanded business enterprises that create or retain primary jobs.

INFRASTRUCTURE IMPROVEMENTS

- Type B corporations may promote new or expanded business development by funding streets and roads, rail spurs, water, sewer, electric and gas utilities, drainage site improvements, and telecommunications and internet improvements. Beach remediation along the Gulf of Mexico may also be funded.
- With voter approval of the project, a Type B corporation may spend sales tax for a water supply or water conservation program or to clean up contaminated property.

CAN A TYPE B CORPORATION UNDERTAKE PROJECTS OUTSIDE CITY LIMITS?

- An economic development corporation may undertake projects outside city limits so long as it is clear that the city benefits from the project.
- If a corporation undertakes a project outside city limits, it must receive permission to do so from the governing body of the entity with jurisdiction in that area.

REPORTING REQUIREMENTS OF TYPE B CORPORATIONS

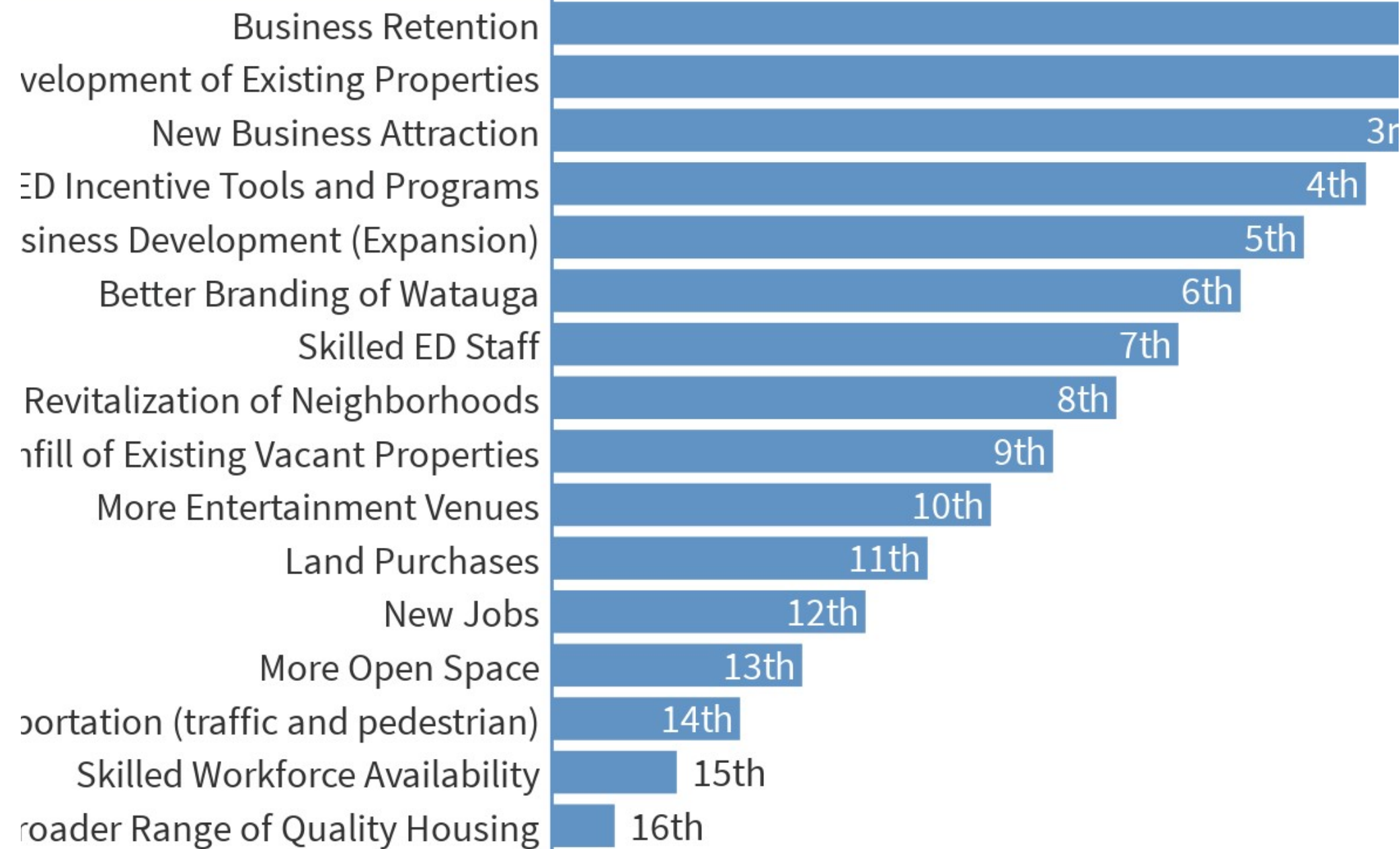
- The Development Corporation Act requires that all Type B corporations file an annual report with the Texas Comptroller of Public Accounts by February 1 of each year. The report must include the corporation's economic development objectives, revenues and expenditures for the preceding fiscal year, a breakdown of these expenditures and a list of the corporation's assets.

CAN THE TAX BE INCREASED OR DECREASED?

- As with adoption, the sales and use tax rate must be increased or decreased in increments of 0.125 percent; the minimum Type B tax rate is 0.125 percent and may not result in a combined rate of all local sales and use taxes exceeding 2 percent.
- If a City is already imposing an economic development sales tax, the city's governing body may adopt an ordinance calling for an election to increase, reduce or repeal the existing tax. The ordinance may be initiated by a majority vote of the governing body, or by a petition of registered voters.

QUESTIONS/COMMENTS/DIRECTION

PDC Ranking Exercise





AGENDA MEMORANDUM

DATE: March 13, 2019

TO: Watauga Parks Development Corporation Directors

FROM: Andrea Gardner, City Manager

SUBJECT: Consideration and action on recommending two (2) members to assist in the City Manager's Workgroup for the purpose of completing the Comprehensive Plan Update

BACKGROUND/INFORMATION:

On February 11, 2019, the City Manager provided a report to the City Council on the Comprehensive Plan Update. Since that meeting, a more detailed plan has been created to address the process for completing the update.

During the March 7, 2019, Regular Council Meeting, City Council approved the creation of the City Manager's Workgroup which shall consist of two (2) members from the City Council, two (2) members from the Planning & Zoning Commission, two (2) members from the Watauga Economic Development Corporation, staff members as assigned by the City Manager, and a minimum of four (4) Watauga residents.

The item is presented to allow the directors to recommend two (2) representatives to serve on the Workgroup.

FINANCIAL IMPLICATIONS:

N/A

RECOMMENDATION/ACTION DESIRED:

City staff respectfully requests the Corporation appoint two (2) directors to the City Manager's Workgroup for the purpose of completing the Comprehensive Plan Update.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

None

REVIEWED BY:

Paul Hackleman, P.E., CFM, Director of Public Works

Zolaina Parker, City Secretary, TRMC

Approved as to form for inclusion on Agenda

Approved - 3/14/2019

Final Approval - 3/14/2019