

1 AN ACT

2 relating to the creation of the Spring Branch Area Community  
3 Improvement District and the Temple Health and Bioscience Economic  
4 Development District; providing the authority to issue bonds and  
5 impose a tax.

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

7 SUBCHAPTER A. SPRING BRANCH AREA COMMUNITY IMPROVEMENT DISTRICT

8 SECTION 1. CREATION OF DISTRICT. (a) The Spring Branch  
9 Area Community Improvement District is a special district created  
10 under Section 59, Article XVI, Texas Constitution.

11 (b) The board by resolution may change the name of the  
12 district.

13 SECTION 2. DEFINITIONS. In this subchapter:

14 (1) "Board" means the board of directors of the  
15 district.

16 (2) "District" means the Spring Branch Area Community  
17 Improvement District.

18 SECTION 3. DECLARATION OF INTENT. (a) The creation of the  
19 district is essential to accomplish the purposes of Sections 52 and  
20 52-a, Article III, and Section 59, Article XVI, Texas Constitution,  
21 and to accomplish other public purposes stated in this subchapter.

22 (b) The creation of the district is necessary to promote,  
23 develop, encourage, and maintain employment, commerce,  
24 transportation, housing, tourism, recreation, the arts,

1 entertainment, economic development, safety, and the public  
2 welfare in the area of the district.

3 (c) This subchapter and the creation of the district may not  
4 be interpreted to relieve Harris County or the City of Houston from  
5 providing the level of services provided as of the effective date of  
6 this subchapter to the area in the district. The district is  
7 created to supplement and not to supplant the county or city  
8 services provided in the area in the district.

9 SECTION 4. BOUNDARIES. The district includes all the  
10 territory contained in the following described area:

11 POINT OF BEGINNING, the southwest corner of the intersection  
12 of the West Sam Houston Parkway right-of-way and the Interstate  
13 Highway 10 right-of-way; thence north along the west boundary of  
14 the West Sam Houston Parkway right-of-way to the north boundary of  
15 Clay Road right-of-way; thence east along the north boundary of  
16 Clay Road right-of-way continuing along the north boundary of W.  
17 43rd Street right-of-way to the east boundary of Hempstead Highway  
18 right-of-way; thence southeast along the north boundary of  
19 Hempstead Highway right-of-way to the east boundary of the Loop 610  
20 right-of-way; thence south along the east boundary of Loop 610  
21 right-of-way to the south boundary of Old Katy Road right-of-way;  
22 thence west along the south boundary of Old Katy Road right-of-way  
23 to the west boundary of North Post Oak Road right-of-way; thence  
24 south along the west boundary of North Post Oak Road right-of-way to  
25 the south boundary of Interstate Highway 10 right-of-way; thence  
26 west along the south boundary of Interstate Highway 10 right-of-way  
27 to the POINT OF BEGINNING.

1           SAVE AND EXCEPT any land located within the boundaries of the  
2 City of Spring Valley and City of Hilshire Village.

3           SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries  
4 and field notes of the district form a closure. A mistake in the  
5 field notes or in copying the field notes in the legislative process  
6 does not in any way affect the district's:

7                   (1) organization, existence, or validity;

8                   (2) right to issue any type of bond for a purpose for  
9 which the district is created or to pay the principal of and  
10 interest on a bond;

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

12                   (4) legality or operation.

13           SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The  
14 district is created to serve a public use and benefit.

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

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

22                   (1) further the public purposes of development and  
23 diversification of the economy of the state;

24                   (2) eliminate unemployment and underemployment; and

25                   (3) develop or expand transportation and commerce.

26           (d) The district will:

27                   (1) promote the health, safety, and general welfare of

1 residents, employers, employees, visitors, and consumers in the  
2 district, and of the public;

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

6 (3) promote the health, safety, welfare, and enjoyment  
7 of the public by providing pedestrian ways and by landscaping and  
8 developing certain areas in the district, which are necessary for  
9 the restoration, preservation, and enhancement of scenic beauty.

10 (e) Pedestrian ways along or across a street, whether at  
11 grade or above or below the surface, and street lighting, street  
12 landscaping, and street art objects are parts of and necessary  
13 components of a street and are considered to be a street or road  
14 improvement.

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

18 SECTION 7. APPLICATION OF OTHER LAW. (a) Except as  
19 otherwise provided by this subchapter, Chapter 375, Local  
20 Government Code, applies to the district.

21 (b) Chapter 311, Government Code (Code Construction Act),  
22 applies to this Act.

23 SECTION 8. CONSTRUCTION OF SUBCHAPTER. This subchapter  
24 shall be liberally construed in conformity with the findings and  
25 purposes stated in this subchapter.

26 SECTION 9. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a) Not  
27 later than the 30th day before the date of the first board meeting,

1 written notice must be mailed by certified mail, return receipt  
2 requested, to each property owner in the district who could be  
3 subject to assessment by the district at the address of the property  
4 owner as reflected on the most recent certified tax appraisal roll  
5 for Harris County.

6 (b) The notice under Subsection (a) of this section must  
7 include:

8 (1) a description and definition of the Spring Branch  
9 Area Community Improvement District;

10 (2) the purpose of the district;

11 (3) a statement that the district, by action of the  
12 board, may charge an assessment for improvements to be made in the  
13 district; and

14 (4) the time, date, and location of the first board  
15 meeting.

16 SECTION 10. BOARD OF DIRECTORS IN GENERAL. (a) The  
17 district is governed by a board of 13 directors appointed under  
18 Section 12 of this subchapter.

19 (b) Directors serve staggered terms of four years, with  
20 seven directors' terms expiring June 1 of an odd-numbered year and  
21 six directors' terms expiring June 1 of the following odd-numbered  
22 year.

23 SECTION 11. QUALIFICATIONS. (a) To be qualified to serve  
24 as a director, a person must be at least 18 years old and:

25 (1) an owner of property subject to assessment by the  
26 district;

27 (2) an owner of a beneficial interest in a trust that

1 owns property subject to assessment by the district; or

2 (3) an agent, employee, or tenant nominated by a  
3 person described in Subdivision (1) or (2).

4 (b) Section 375.063, Local Government Code, does not apply  
5 to the district.

6 SECTION 12. APPOINTMENT OF DIRECTORS. The mayor and  
7 members of the governing body of the City of Houston shall appoint  
8 directors from persons recommended by the board. A person is  
9 appointed if a majority of the members of the governing body,  
10 including the mayor, vote to appoint that person.

11 SECTION 13. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a)  
12 Except as provided by this section:

13 (1) a director may participate in all board votes and  
14 decisions; and

15 (2) Chapter 171, Local Government Code, governs  
16 conflicts of interest for directors.

17 (b) Section 171.004, Local Government Code, does not apply  
18 to the district. A director who has a substantial interest in a  
19 business or charitable entity that will receive a pecuniary benefit  
20 from a board action shall file a one-time affidavit declaring the  
21 interest. An additional affidavit is not required if the  
22 director's interest changes. After the affidavit is filed with the  
23 board secretary, the director may participate in a discussion or  
24 vote on that action if:

25 (1) a majority of the directors have a similar  
26 interest in the same entity; or

27 (2) all other similar business or charitable entities

1 in the district will receive a similar pecuniary benefit.

2 (c) A director who is also an officer or employee of a public  
3 entity may not participate in the discussion of or vote on a matter  
4 regarding a contract with that same public entity.

5 (d) For purposes of this section, a director has a  
6 substantial interest in a charitable entity in the same manner that  
7 a person would have a substantial interest in a business entity  
8 under Section 171.002, Local Government Code.

9 SECTION 14. ELECTRONIC TRANSMISSIONS. (a) The district  
10 may acquire, operate, or charge fees for the use of the district  
11 conduits for:

- 12 (1) another person's:  
13 (A) telecommunications network;  
14 (B) fiber-optic cable; or  
15 (C) electronic transmission line; or  
16 (2) any other type of transmission line or supporting  
17 facility.

18 (b) The district may not require a person to use a district  
19 conduit.

20 SECTION 15. ADDITIONAL POWERS OF DISTRICT. The district  
21 may exercise the powers given to:

22 (1) a corporation created under Section 4B,  
23 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas  
24 Civil Statutes); and

25 (2) a housing finance corporation created under  
26 Chapter 394, Local Government Code, to provide housing or  
27 residential development projects in the district.

1 SECTION 16. AGREEMENTS; GRANTS. (a) The district may make  
2 an agreement with or accept a gift, grant, or loan from any person.

3 (b) The implementation of a project is a governmental  
4 function or service for the purposes of Chapter 791, Government  
5 Code.

6 SECTION 17. LAW ENFORCEMENT SERVICES. To protect the  
7 public interest, the district may contract to provide law  
8 enforcement services in the district for a fee.

9 SECTION 18. NONPROFIT CORPORATION. (a) The board by  
10 resolution may authorize the creation of a nonprofit corporation to  
11 assist and act on behalf of the district in implementing a project  
12 or providing a service authorized by this subchapter.

13 (b) The board shall appoint the board of directors of a  
14 nonprofit corporation. The board of directors of the nonprofit  
15 corporation shall serve in the same manner as the board of directors  
16 of a local government corporation created under Chapter 431,  
17 Transportation Code.

18 (c) The nonprofit corporation:

19 (1) has the powers of and is considered for purposes of  
20 this subchapter to be a local government corporation created under  
21 Chapter 431, Transportation Code; and

22 (2) may implement any project and provide any service  
23 authorized by this subchapter.

24 SECTION 19. REQUIREMENTS FOR FINANCING SERVICES AND  
25 IMPROVEMENTS. The board may not finance a service or improvement  
26 project with assessments under this subchapter unless a written  
27 petition requesting that improvement or service has been filed with

1 the board. The petition must be signed by:

2 (1) the owners of a majority of the assessed value of  
3 real property in the district subject to assessment as determined  
4 by the most recent certified tax appraisal roll for Harris County;  
5 or

6 (2) at least 50 owners of real property in the district  
7 that will be subject to the assessment, if more than 50 persons own  
8 real property subject to the assessment in the district as  
9 determined by the most recent certified tax appraisal roll for  
10 Harris County.

11 SECTION 20. ASSESSMENTS. (a) The board by resolution may  
12 impose and collect an assessment for any purpose authorized by this  
13 subchapter.

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

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

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

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

27 (c) The lien is effective from the date of the resolution of

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

4 SECTION 21. RESIDENTIAL PROPERTY. The district may not  
5 impose an assessment, an impact fee, or any other requirement on  
6 single-family detached residential property or on a residential  
7 duplex, triplex, or fourplex.

8 SECTION 22. UTILITIES. The district may not impose an  
9 impact fee or assessment on the property, including the equipment,  
10 rights-of-way, facilities, or improvements, of an electric utility  
11 or a power generation company as defined by Section 31.002,  
12 Utilities Code, or a gas utility as defined by Section 101.003 or  
13 121.001, Utilities Code, of a telecommunications provider as  
14 defined by Section 51.002, Utilities Code, or of a person that  
15 provides to the public cable television or advanced  
16 telecommunications services.

17 SECTION 23. BONDS. (a) The district may issue bonds or  
18 other obligations payable in whole or in part from assessments,  
19 impact fees, revenue, grants, or other money of the district, or any  
20 combination of those sources of money, to pay for any authorized  
21 purpose of the district.

22 (b) The board may not issue bonds for a service or  
23 improvement project under this subchapter unless a written petition  
24 requesting that improvement or service has been filed with the  
25 board. The petition must be signed by the owners of a majority of  
26 the assessed value of real property in the district that will be  
27 subject to the assessment as determined by the most recent

1 certified tax appraisal roll for Harris County.

2 (c) In exercising the district's borrowing power, the  
3 district may issue a bond or other obligation in the form of a bond,  
4 note, certificate of participation or other instrument evidencing a  
5 proportionate interest in payments to be made by the district, or  
6 other type of obligation.

7 SECTION 24. DISBURSEMENTS OR TRANSFERS OF MONEY. The board  
8 by resolution shall establish the number of directors' signatures  
9 and the procedure required for a disbursement or transfer of the  
10 district's money.

11 SECTION 25. COMPETITIVE BIDDING LIMIT. Section 375.221,  
12 Local Government Code, applies to the district only for a contract  
13 that has a value greater than \$15,000.

14 SECTION 26. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
15 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
16 that has debt. If the vote is in favor of dissolution, the district  
17 shall remain in existence solely for the limited purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20 (b) Section 375.264, Local Government Code, does not apply  
21 to the district.

22 SECTION 27. INITIAL DIRECTORS. (a) The initial board  
23 consists of the following persons:

24	Pos. No.	Name of Director
25	1	Ronald Height
26	2	Glenn Smith
27	3	Catherine Barchfeld-Alexander

1	4	Kun C. Youn
2	5	Jim Jard
3	6	Al Hartman
4	7	Johnny H. Baker
5	8	Patricia A. Maddox
6	9	Pat Currie
7	10	Frank Liu
8	11	Lance H. Davis
9	12	Larry Levine
10	13	Everett P. Jackson

11 (b) Of the initial directors, the terms of directors  
12 appointed for positions 1 through 7 expire June 1, 2005, and the  
13 terms of directors appointed for positions 8 through 13 expire June  
14 1, 2007.

15 (c) Section 12 of this subchapter does not apply to this  
16 section.

17 (d) This section expires September 1, 2007.

18 SECTION 28. LEGISLATIVE FINDINGS. The legislature finds  
19 that:

20 (1) proper and legal notice of the intention to  
21 introduce this subchapter, setting forth the general substance of  
22 this subchapter, has been published as provided by law, and the  
23 notice and a copy of this subchapter have been furnished to all  
24 persons, agencies, officials, or entities to which they are  
25 required to be furnished by the constitution and laws of this state,  
26 including the governor, who has submitted the notice and subchapter  
27 to the Texas Commission on Environmental Quality;

1           (2) the Texas Commission on Environmental Quality has  
2 filed its recommendations relating to this subchapter with the  
3 governor, lieutenant governor, and speaker of the house of  
4 representatives within the required time;

5           (3) the general law relating to consent by political  
6 subdivisions to the creation of districts with conservation,  
7 reclamation, and road powers and the inclusion of land in those  
8 districts has been complied with; and

9           (4) all requirements of the constitution and laws of  
10 this state and the rules and procedures of the legislature with  
11 respect to the notice, introduction, and passage of this subchapter  
12 have been fulfilled and accomplished.

13           SECTION 29. EFFECTIVE DATE. This subchapter takes effect  
14 immediately if this Act receives a vote of two-thirds of all the  
15 members elected to each house, as provided by Section 39, Article  
16 III, Texas Constitution. If this Act does not receive the vote  
17 necessary for immediate effect, this Act takes effect September 1,  
18 2003.

19           SUBCHAPTER B. TEMPLE HEALTH AND BIOSCIENCE ECONOMIC

20                           DEVELOPMENT DISTRICT

21           ARTICLE 1. LEGISLATIVE FINDINGS AND INTENT; CONSTRUCTION OF

22                           SUBCHAPTER

23           SECTION 1.001. DECLARATION OF LEGISLATIVE FINDINGS AND  
24 INTENT. (a) The creation of a district under this subchapter is  
25 essential to accomplish the purposes of Section 52-a, Article III,  
26 and Section 59, Article XVI, Texas Constitution, and to accomplish  
27 other public purposes stated in this subchapter.

1 (b) This subchapter is enabling legislation enacted to  
2 further the public purposes under Section 52-a, Article III, Texas  
3 Constitution.

4 (c) The creation of a district under this subchapter is  
5 necessary to further the public purpose of improving the economy of  
6 the state and the City of Temple by providing for the development of  
7 health and bioscience operations and facilities.

8 (d) A district created under this subchapter serves the  
9 public purposes stated in this section.

10 SECTION 1.002. CONSTRUCTION OF ACT. (a) This subchapter  
11 shall be liberally construed in conformity with the legislative  
12 findings and purposes set forth in this subchapter.

13 (b) Chapter 311, Government Code (Code Construction Act),  
14 applies to this subchapter.

15 (c) A reference to a section without further identification  
16 is a reference to a section of this subchapter.

17 ARTICLE 2. GENERAL PROVISIONS

18 SECTION 2.001. DEFINITIONS. In this subchapter:

19 (1) "Board" means the board of directors of the  
20 district.

21 (2) "Bond" means an interest-bearing obligation  
22 issued by the district under this subchapter, including a bond,  
23 certificate, note, or other evidence of indebtedness.

24 (3) "City council" means the governing body of the  
25 City of Temple.

26 (4) "Director" means a board member.

27 (5) "District" means the Temple Health and Bioscience

1 Economic Development District.

2 (6) "Project" means a project established under  
3 Section 5.010 and includes the land, buildings, equipment,  
4 facilities, infrastructure, improvements, and other property  
5 necessary to accomplish the purposes of the project.

6 SECTION 2.002. NATURE OF DISTRICT. The district is a  
7 special district and a political subdivision of this state under  
8 Section 59, Article XVI, Texas Constitution.

9 ARTICLE 3. CREATION OF DISTRICT

10 SECTION 3.001. APPLICATION FOR PETITION TO CREATE DISTRICT.

11 (a) If 10 or more qualified voters of the City of Temple file a  
12 written application with the city, the city shall issue to the  
13 applicants a petition to be circulated among the qualified voters  
14 of the city for the signatures of voters who desire that a local  
15 option election be called in the city to determine whether to create  
16 the district:

17 (1) with the power to impose an ad valorem tax not to  
18 exceed 15 cents per \$100 valuation of all taxable property in the  
19 district; or

20 (2) without the power to impose an ad valorem tax.

21 (b) If the district is created without the power to impose  
22 an ad valorem tax and 10 or more qualified voters of the City of  
23 Temple file a written application with the city for a petition to  
24 enable the district to impose a tax, the city shall issue to the  
25 applicants a petition to be circulated among the qualified voters  
26 of the city for the signatures of voters who desire to enable the  
27 district to impose an ad valorem tax not to exceed 15 cents per \$100

1 valuation of all taxable property in the district.

2 (c) At the request of petitioners under this section, a  
3 petition for a local option election to determine whether the  
4 district may impose an ad valorem tax may also express that at the  
5 same election the district shall be authorized to issue bonds  
6 payable in whole or in part from that ad valorem tax as permitted  
7 under Section 6.010.

8 SECTION 3.002. HEADING, STATEMENT, AND ISSUE ON APPLICATION  
9 FOR PETITION TO CREATE DISTRICT. (a) An application for a petition  
10 under Section 3.001 to create the district with the power to impose  
11 an ad valorem tax must be entitled: "Application for Local Option  
12 Election Petition to Create the Temple Health and Bioscience  
13 Economic Development District with the Power to Impose an Ad  
14 Valorem Tax not to Exceed 15 Cents per \$100 Valuation of all Taxable  
15 Property in the District." The application must contain a  
16 statement just before the signatures of the applicants that reads  
17 substantially as follows: "The petitioners whose signatures appear  
18 on this petition intend that the Temple Health and Bioscience  
19 Economic Development District referred to in the issue set out  
20 above be created." If the petition also seeks an election to  
21 authorize the issuance of bonds by the district payable in whole or  
22 in part from ad valorem taxes, the statement: "and to Issue Bonds  
23 Payable in Whole or in Part from the Ad Valorem Tax" must be  
24 appended to the end of the title specified in this subsection.

25 (b) An application for a petition under Section 3.001(a) to  
26 create the district without the power to impose the ad valorem tax  
27 must be entitled: "Application for Local Option Election Petition

1 to Create the Temple Health and Bioscience Economic Development  
2 District." The application must contain a statement just before  
3 the signatures of the applicants that reads substantially as  
4 follows: "The petitioners whose signatures appear on this petition  
5 intend that the Temple Health and Bioscience Economic Development  
6 District referred to in the issue set out above be created."

7 (c) If the district initially is created without ad valorem  
8 taxing authority, an application for a petition under Section  
9 3.001(b) seeking an election to enable the district to impose an ad  
10 valorem tax not to exceed 15 cents per \$100 valuation of all taxable  
11 property in the district must be entitled: "Application for Local  
12 Option Election Petition to Enable the Temple Health and Bioscience  
13 Economic Development District to Impose an Ad Valorem Tax not to  
14 Exceed 15 Cents per \$100 Valuation of all Taxable Property in the  
15 District." The application must contain a statement just before  
16 the signatures of the applicants that reads substantially as  
17 follows: "The petitioners whose signatures appear on this petition  
18 intend that the Temple Health and Bioscience Economic Development  
19 District be enabled to impose an ad valorem tax not to exceed 15  
20 cents per \$100 valuation of all taxable property in the district."  
21 If the petition also seeks an election to authorize the issuance of  
22 bonds by the district payable in whole or in part from ad valorem  
23 taxes, the statement: "and to Issue Bonds Payable in Whole or in  
24 Part from the Ad Valorem Tax" must be appended to the title  
25 specified by this subsection.

26 (d) Each petition must show the date it is issued by the City  
27 of Temple and be serially numbered. Each page of a petition must

1 bear the same date and serial number.

2 SECTION 3.003. COPIES OF PETITION. (a) The City of Temple  
3 shall supply as many copies of the petition as required by the  
4 applicants but not to exceed more than one page of the petition for  
5 every 10 registered voters in the city. Each copy shall bear the  
6 date, number, and seal on each page as required on the original  
7 petition.

8 (b) The City of Temple shall keep a copy of each petition and  
9 a record of the applicants for that petition.

10 SECTION 3.004. FILING AND VERIFICATION OF PETITION. (a)  
11 Not later than the 120th day after the date on which a petition is  
12 issued by the City of Temple under Section 3.002, the applicants  
13 requesting the petition may file a request with the City of Temple  
14 for the petition to be verified under Subsection (b).

15 (b) If a request for verification is made under  
16 Subsection (a), the City of Temple shall examine the names of the  
17 signers of petitions and determine whether the signers of the  
18 petition were qualified voters of the city at the time the petition  
19 was issued. The City of Temple shall certify to the city council  
20 the number of qualified voters signing the petition not later than  
21 the 15th day after the date the request for verification was filed.

22 (c) A signature may not be counted under this section if  
23 there is good reason to believe that:

24 (1) the signature is not the actual signature of the  
25 purported signer;

26 (2) the voter registration certificate number is not  
27 correct;

1           (3) the signature duplicates a name or the handwriting  
2 used in any other signature on the petition; or

3           (4) the signer's residence address cannot be verified.

4           SECTION 3.005. REQUIREMENTS TO ORDER ELECTION. (a) Not  
5 later than the date of the second regular session of the city  
6 council convened after a petition has been verified under Section  
7 3.004, the city council shall order a local option election to be  
8 held on the issue set out in the petition if the petition contains  
9 the following:

10           (1) the actual signatures of a number of qualified  
11 voters of the City of Temple equal to at least 10 percent of the  
12 registered voters of the city who voted in the most recent general  
13 election in the city;

14           (2) a notation showing the residence address of each  
15 signer;

16           (3) each signer's voter registration certificate  
17 number; and

18           (4) each signer's printed name.

19           (b) The following shall be entered in the city council  
20 minutes:

21           (1) the dates a petition is presented to and verified  
22 by the City of Temple;

23           (2) the names of the signers; and

24           (3) the action taken on the petition.

25           SECTION 3.006. NOTICE AND CONDUCT OF ELECTION; RESULTS.

26           (a) If the requirements to order an election under Section 3.005  
27 are met, the city council shall give notice of the election on the

1 issue set out in the verified petition by publishing a substantial  
2 copy of the election order once a week for two consecutive weeks in  
3 a newspaper with general circulation in the City of Temple. The  
4 first publication must appear before the 14th day before the date  
5 set for the election. If the election order includes the issue of  
6 whether the district may issue bonds, the first publication must  
7 appear before the 31st day before the date set for the election.

8 (b) The order calling the election must:

9 (1) define the district boundaries to be the  
10 boundaries of the City of Temple as the boundaries of the city are  
11 adjusted from time to time by the city; and

12 (2) call for the election to be held within those  
13 boundaries.

14 (c) The ballot at an election held under this section must  
15 be printed to permit voting for or against the proposition set forth  
16 below that was covered by the verified petition:

17 (1) "Authorizing the creation of the Temple Health and  
18 Bioscience Economic Development District and the imposition of an  
19 ad valorem tax not to exceed the rate of 15 cents per \$100 valuation  
20 of all taxable property in the district";

21 (2) "Authorizing the creation of the Temple Health and  
22 Bioscience Economic Development District and the imposition of an  
23 ad valorem tax not to exceed the rate of 15 cents per \$100 valuation  
24 of all taxable property in the district and to issue bonds payable  
25 in whole or in part from the ad valorem tax";

26 (3) "Authorizing the creation of the Temple Health and  
27 Bioscience Economic Development District";

1           (4) "Authorizing the imposition of an ad valorem tax  
2 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
3 property in the district"; or

4           (5) "Authorizing the imposition of an ad valorem tax  
5 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
6 property in the district and to issue bonds payable in whole or in  
7 part from the ad valorem tax."

8           (d) The district is created if a majority of the registered  
9 voters of the proposed district voting at the election favor  
10 creation. The district may impose an ad valorem tax not to exceed  
11 the rate of 15 cents per \$100 valuation of all taxable property in  
12 the district if a majority of the registered voters of the district  
13 voting at the election favor its imposition. The district may issue  
14 bonds payable wholly or partially from ad valorem taxes if a  
15 majority of the registered voters of the district voting at the  
16 election favor the authorization.

17           (e) If a majority of the registered voters of the proposed  
18 district voting at the election to create the district vote against  
19 creating the district, another election on the question of creating  
20 the district may not be held before the first anniversary of the  
21 date of the most recent election concerning the creation. If a  
22 majority of the registered voters of the district voting at the  
23 election to establish the power of the district to impose an ad  
24 valorem tax vote against the power, another election on the  
25 question may not be held before the first anniversary of the date of  
26 the most recent election concerning the question. If a majority of  
27 the registered voters of the district voting at the election to

1 authorize the district to issue bonds payable wholly or partially  
2 from ad valorem taxes vote against the authorization, another  
3 election on the question may not be held before the first  
4 anniversary of the date of the most recent election concerning the  
5 question.

6 (f) The City of Temple shall hold an election provided under  
7 this section on the earliest of the uniform election dates under  
8 Section 41.001, Election Code, to occur following the adoption of  
9 the order calling the election by the city council.

10 SECTION 3.007. TEMPORARY BOARD. (a) After creation of the  
11 district under Section 3.006(d), the city council by resolution  
12 shall appoint seven directors to serve on a temporary board.

13 (b) In the resolution, the city council shall stagger the  
14 terms of the directors appropriately so that four directors serve  
15 until directors are elected under Section 4.003(1) and three  
16 directors serve until directors are elected under Section 4.003(2).

17 ARTICLE 4. BOARD OF DIRECTORS

18 SECTION 4.001. GOVERNING BODY. The district is governed by  
19 a board of seven directors elected as provided by this subchapter.

20 SECTION 4.002. TERMS. Except as provided by Section 3.007,  
21 directors serve staggered three-year terms.

22 SECTION 4.003. DATE OF ELECTIONS. The district shall hold  
23 board elections as follows:

24 (1) four directors must be elected on the regular  
25 election day on which certain members of the city council and the  
26 mayor of the City of Temple are elected; and

27 (2) three directors must be elected on the regular

1 election day on which the other members of the city council of the  
2 City of Temple are elected.

3 SECTION 4.004. QUALIFICATIONS. A director:

4 (1) must be a registered voter of the City of Temple;  
5 and

6 (2) may not be:

7 (A) an elected official; or

8 (B) employed by the district or the City of  
9 Temple.

10 SECTION 4.005. BOARD VACANCY. A vacancy in the office of  
11 director shall be filled by the remaining directors for the  
12 unexpired term.

13 SECTION 4.006. DIRECTOR'S BOND; OATH. (a) As soon as  
14 practicable after a director is elected or appointed, the director  
15 shall execute a bond for \$10,000 payable to the district and  
16 conditioned on the faithful performance of the director's duties.

17 (b) The bond must be approved by the board.

18 (c) Each director shall take the oath of office prescribed  
19 by the constitution for public office.

20 (d) The bond and oath shall be filed with the district and  
21 the district shall retain the bond and oath in its records.

22 SECTION 4.007. BOARD OFFICERS. (a) The board shall elect  
23 from the board a presiding officer, a secretary, and any other  
24 officers the board considers necessary.

25 (b) The board by resolution shall establish the powers and  
26 duties of the officers, consistent with this subchapter.

27 SECTION 4.008. COMPENSATION; EXPENSES. A director serves

1 without compensation but is entitled to reimbursement for actual  
2 and necessary expenses approved by the board.

3 SECTION 4.009. MEETINGS AND NOTICE. (a) The board may  
4 establish regular meetings to conduct district business and may  
5 hold special meetings at other times as necessary.

6 (b) The board shall provide the notice prepared under  
7 Subchapter C, Chapter 551, Government Code, to the City of Temple's  
8 secretary. In addition to the requirements imposed by that  
9 subchapter on the district, the city shall post the notice at the  
10 usual location at which notices of city council meetings are  
11 posted.

12 SECTION 4.010. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The  
13 board shall employ any person the board considers necessary to  
14 conduct district affairs, including:

- 15 (1) engineers;
- 16 (2) attorneys;
- 17 (3) financial advisors;
- 18 (4) economists;
- 19 (5) a general manager;
- 20 (6) a utility operator;
- 21 (7) bookkeepers;
- 22 (8) auditors; and
- 23 (9) clerical workers.

24 (b) The board by resolution shall determine the  
25 compensation and terms of service of any person employed or hired by  
26 the district.

27 (c) The board may remove any employee.

1 (d) The board may require an employee to execute a bond  
2 payable to the district and conditioned on the faithful performance  
3 of the person's duties.

4 ARTICLE 5. POWERS AND DUTIES

5 SECTION 5.001. GENERAL POWERS OF DISTRICT. The district  
6 has all powers necessary or convenient to carry out and effect the  
7 purposes and provisions of this subchapter.

8 SECTION 5.002. RULES. The board may adopt rules to govern  
9 the district, including its operations, employees, and property.

10 SECTION 5.003. DISTRICT OFFICE. The board shall designate  
11 and establish a district office in the City of Temple.

12 SECTION 5.004. PROPERTY. The district may exercise any  
13 type of property right, including the power to acquire, sell, or  
14 lease as lessee or lessor, regarding any type of property interest  
15 in the district or for use in the district under terms and  
16 conditions determined by the board.

17 SECTION 5.005. AGREEMENTS; GRANTS. The district may make  
18 an agreement with or accept a gift, grant, or loan from any person  
19 for any district purpose, including a contract to manage or  
20 maintain a district project.

21 SECTION 5.006. COMPETITIVE BIDDING. (a) Except as  
22 provided by Subsection (b), Section 375.221, Local Government Code,  
23 applies to the district.

24 (b) Section 375.221, Local Government Code, does not apply  
25 to a contract between the district and:

26 (1) another governmental entity;

27 (2) a nonprofit corporation, including a scientific

1 research corporation; or

2 (3) a corporation created under the Development  
3 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
4 Statutes).

5 SECTION 5.007. RELATION TO OTHER LAW ON CONTRACTS. This  
6 subchapter states the procedures necessary to award contracts and  
7 supersedes any law or other requirement otherwise applicable to the  
8 district regarding the award of contracts.

9 SECTION 5.008. FEES FOR USE OF DISTRICT IMPROVEMENTS. The  
10 district may establish and maintain reasonable and  
11 nondiscriminatory rates, fares, charges, rents, or other fees or  
12 compensation for the use of the improvements constructed, operated,  
13 or maintained by the district.

14 SECTION 5.009. PROGRAMS. (a) The district may establish  
15 and provide for the administration of one or more programs to:

- 16 (1) promote state or local economic development; and  
17 (2) stimulate business and commercial activity in the  
18 district that relates to a project.

19 (b) As part of a program established under Subsection (a),  
20 the district may:

21 (1) make loans or grants of public money for a public  
22 purpose as provided by Section 52-a, Article III, Texas  
23 Constitution; or

24 (2) provide district personnel and services for the  
25 program.

26 (c) The district may contract with any person to administer  
27 a program under this section.

1 SECTION 5.010. PROJECTS. (a) The district may establish  
2 projects for:

3 (1) bioscience and health products, including  
4 projects related to:

5 (A) research and development;

6 (B) invention and discovery;

7 (C) commercialization;

8 (D) production and manufacturing of goods and  
9 products, including facilities for manufacturing; and

10 (E) development of production process and  
11 delivery system purposes in, involved in, based on, or related to,  
12 or intended to advance the state of knowledge, skill, and  
13 understanding of, the biosciences, including:

14 (i) wet laboratories;

15 (ii) clean rooms;

16 (iii) dry laboratories;

17 (iv) research and development facilities;

18 (v) genetics facilities and equipment;

19 (vi) pharmaceutical facilities and  
20 equipment;

21 (vii) biotechnology incubators;

22 (viii) bioscience and biotech health care  
23 facilities;

24 (ix) biotech facilities;

25 (x) bioscience facilities; and

26 (xi) other similar projects;

27 (2) bioscience education, including health or biotech

1 education facilities regardless of any affiliation with other  
2 institutions of higher, vocational, or job training education;

3 (3) access to public safety facilities and equipment;

4 (4) streets and roads;

5 (5) drainage services;

6 (6) wastewater services;

7 (7) potable water services;

8 (8) telecommunication facilities;

9 (9) demolition of existing structures;

10 (10) development and institution of water  
11 conservation programs;

12 (11) chilled water services;

13 (12) steam services;

14 (13) industrial gases services;

15 (14) other utility and process and production  
16 services; or

17 (15) the support of any other type of health or  
18 bioscience projects.

19 (b) A project established under Subsection (a) must be  
20 related to the bioscience or health purposes of the district.

21 SECTION 5.011. SUITS. (a) The district may sue and be  
22 sued.

23 (b) Service of process in a suit may be made by serving any  
24 two directors.

25 (c) The district may not be required to give security for  
26 costs and may appeal from a judgment without giving a supersedeas or  
27 cost bond.

1 SECTION 5.012. SEAL. The district may adopt a seal.

2 SECTION 5.013. NONPROFIT CORPORATION. (a) The board by  
3 resolution may authorize the creation of a nonprofit corporation  
4 under the Texas Non-Profit Corporation Act (Article 1396-1.01 et  
5 seq., Vernon's Texas Civil Statutes), including creation of a  
6 scientific corporation. The nonprofit corporation shall assist and  
7 act on behalf of the district in implementing a project or providing  
8 a service authorized by this subchapter.

9 (b) The board shall appoint the board of directors of a  
10 nonprofit corporation. The board may appoint a director of the  
11 district's board to serve as a director of the nonprofit  
12 corporation. The board of directors of the nonprofit corporation  
13 shall serve in the same manner as the board of directors of a local  
14 government corporation created under Chapter 431, Transportation  
15 Code.

16 (c) The nonprofit corporation:

17 (1) has the powers of and is considered for purposes of  
18 this subchapter to be a local government corporation created under  
19 Chapter 431, Transportation Code; and

20 (2) may implement any project and provide any service  
21 authorized by this subchapter.

22 ARTICLE 6. GENERAL FINANCIAL PROVISIONS

23 SECTION 6.001. USE OF DISTRICT MONEY. The district may use  
24 district money for any district purpose, including to pay:

25 (1) for projects; and

26 (2) district bonds or other obligations.

27 SECTION 6.002. INVESTMENTS. (a) The district may invest

1 money it receives under this subchapter.

2 (b) The district may hire a person to invest district money  
3 on terms the board considers advisable.

4 SECTION 6.003. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
5 board by resolution shall establish the number of directors'  
6 signatures and the procedure required for a disbursement or  
7 transfer of district money.

8 SECTION 6.004. DEPOSITORY INSTITUTION. The district may  
9 designate financial institutions to serve as the depository bank or  
10 banks for the district.

11 SECTION 6.005. ACCOUNTS; FISCAL YEAR. (a) The district may  
12 establish an accounting system for the district for each year.

13 (b) The district may establish a fiscal year for the  
14 district.

15 SECTION 6.006. PROJECT FUND. (a) The district by  
16 resolution shall establish a project fund.

17 (b) The district may establish separate accounts within the  
18 project fund.

19 (c) The district shall deposit into the project fund all  
20 district money, including:

21 (1) the proceeds from any ad valorem tax imposed by the  
22 district;

23 (2) all revenue from the sale of district bonds or  
24 other obligations; and

25 (3) any other money acquired or received by the  
26 district.

27 SECTION 6.007. AUDIT. (a) The district shall contract with

1 an independent certified public accountant or a certified public  
2 accounting firm to audit the district's affairs annually, including  
3 the district's financial records. The contract must be a written  
4 contract.

5 (b) The district shall make the audit available for  
6 inspection by the public and the City of Temple.

7 SECTION 6.008. ASSESSMENTS. The district may impose an  
8 assessment on property in the district, including a leasehold  
9 interest, by agreement with the property owner.

10 SECTION 6.009. LIABILITIES. The district may incur  
11 liabilities, including those incurred by:

12 (1) borrowing money on terms and conditions the board  
13 determines; and

14 (2) issuing bonds or other obligations under Section  
15 6.010.

16 SECTION 6.010. BONDS AND OTHER OBLIGATIONS. (a) The  
17 district may issue bonds, including revenue bonds, or other  
18 obligations to pay the costs of a project in the district.

19 (b) In exercising the district's borrowing power, the  
20 district may issue a bond or other obligation in the form of a bond,  
21 note, certificate of participation or other instrument evidencing a  
22 proportionate interest in payments to be made by the district, or  
23 other type of obligation.

24 ARTICLE 7. AD VALOREM TAX

25 SECTION 7.001. IMPOSITION OF AD VALOREM TAX. If authorized  
26 at an election held under Section 3.006, the district:

27 (1) may by order impose an annual ad valorem tax on

1 taxable property in the district to pay for projects; and

2 (2) shall by order impose an ad valorem tax to pay for  
3 bonds that are payable wholly or partly from ad valorem taxes.

4 SECTION 7.002. TAX RATE. (a) The board shall determine the  
5 tax rate.

6 (b) The tax rate may not exceed 15 cents per each \$100 of  
7 assessed valuation of taxable property in the district.

8 SECTION 7.003. TAX ASSESSOR-COLLECTOR. The board may:

9 (1) appoint a district tax assessor-collector; or

10 (2) contract for the assessment and collection of  
11 taxes as provided by the Tax Code.

12 ARTICLE 8. DISSOLUTION OF DISTRICT

13 SECTION 8.001. DISSOLUTION OF DISTRICT. The district may  
14 be dissolved only as provided by this article.

15 SECTION 8.002. DISSOLUTION BY ORDER OF CITY COUNCIL. (a)  
16 The board may petition the city council to dissolve the district if  
17 the board finds that the district:

18 (1) has not issued bonds or other obligations under  
19 Section 6.010 and that the purposes of the district are  
20 impracticable, or reasonably and economically cannot be successful  
21 or accomplished; or

22 (2) has paid, or otherwise provided for payment of,  
23 all bonds and other obligations issued under Section 6.010 and that  
24 the purposes of the district have been accomplished.

25 (b) On receipt of a petition under Subsection (a), the city  
26 council shall hold a public hearing to determine whether the  
27 dissolution of the district serves the best interests of the City of

1 Temple and the residents of the city.

2 (c) After the hearing, the city council shall:

3 (1) enter in its records the appropriate findings and  
4 order dissolving of the district if the city council unanimously  
5 determines that the best interests of the City of Temple and the  
6 residents of the city will be served by dissolving the district; or

7 (2) enter its order providing that the district has  
8 not been dissolved if the city council does not unanimously  
9 determine that the best interests of the City of Temple and the  
10 residents of the city will be served by dissolving the district.

11 (d) On dissolution of the district under this section:

12 (1) all money and other property of the district is  
13 transferred to the City of Temple; and

14 (2) the City of Temple shall assume any remaining  
15 contracts or other obligations of the district.

16 SECTION 8.003. DISSOLUTION OF DISTRICT ON AGREEMENT WITH  
17 CITY. (a) The district may be dissolved by agreement between the  
18 city council and the board.

19 (b) On dissolution of the district under this section:

20 (1) all money and other property of the district is  
21 transferred to the City of Temple; and

22 (2) the City of Temple shall assume the district's  
23 responsibilities regarding all district contracts, debts, bonds,  
24 and other obligations.

25 SECTION 8.004. EFFECT OF DISSOLUTION ON TAXES. On  
26 dissolution of the district, any taxes imposed by the district are  
27 abolished.

1                   ARTICLE 9. EFFECTIVE DATE

2           SECTION 9.001. EFFECTIVE DATE.    This subchapter takes  
3 effect immediately if this Act receives a vote of two-thirds of all  
4 the members elected to each house, as provided by Section 39,  
5 Article III, Texas Constitution. If this Act does not receive the  
6 vote necessary for immediate effect, this subchapter takes effect  
7 September 1, 2003.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3629 was passed by the House on May 23, 2003, by the following vote: Yeas 145, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3629 on May 30, 2003, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 3629 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor