

1-1 By: Lindsay S.B. No. 868
1-2 (In the Senate - Filed March 5, 2003; March 11, 2003, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; March 27, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 March 27, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 868 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the purpose, powers, and duties of Harris County
1-11 Improvement District No. 1; authorizing the issuance of bonds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The legislature finds that:

1-14 (1) the area within the boundaries of Harris County
1-15 Improvement District No. 1 is one of the state's most dynamic
1-16 activity centers and is the location of numerous commercial,
1-17 office, retail, and residential buildings;

1-18 (2) the area within the district is served with an
1-19 inadequate public transportation system and has an inadequate
1-20 system of streets and public parking facilities;

1-21 (3) residents, workers, visitors, customers, and
1-22 other persons accessing the area within the district must primarily
1-23 use motor vehicles, and such use places an undue burden on the
1-24 street system in the district and results in severe congestion that
1-25 retards mobility of persons and property and impairs the use of the
1-26 district area as one of the state's primary economic and business
1-27 centers;

1-28 (4) the absence of an adequate system of parking
1-29 facilities, including park and ride facilities, discourages the use
1-30 of public transportation and further aggravates vehicular
1-31 congestion within the area;

1-32 (5) motor vehicles are generally powered by internal
1-33 combustion engines that emit pollutants into the air, which results
1-34 in dangers to the public health and welfare;

1-35 (6) the proliferation of the use of motor vehicles for
1-36 passenger transportation within the district is caused in
1-37 substantial part by the absence of an adequate public
1-38 transportation system and an adequate system or network of public
1-39 parking facilities;

1-40 (7) provision of an adequate system of public parking
1-41 facilities and public transit and transportation facilities will
1-42 accomplish the public purposes of Section 52-a, Article III, Texas
1-43 Constitution, by stimulating transportation and commerce within
1-44 the area of the district and in the state and will serve the further
1-45 public purpose of reducing the pollutants discharged into the air
1-46 thus reducing the threat to the public health and welfare; and

1-47 (8) in order for the area within the district to have
1-48 an adequate public transit system and an adequate system of public
1-49 parking, it will be necessary for the district to be able to take
1-50 advantage of all public and private funds and opportunities
1-51 available and be empowered to contract with other public agencies
1-52 and with private entities to jointly provide such facilities.

1-53 SECTION 2. Chapter 1026, Acts of the 70th Legislature,
1-54 Regular Session, 1987, is amended by adding Section 5A to read as
1-55 follows:

1-56 Sec. 5A. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES.

1-57 (A) The district shall have the power to acquire, lease as lessor
1-58 or lessee, construct, develop, own, operate, and maintain a public
1-59 transit system to serve the area within the boundaries of the
1-60 district. Before the district may acquire, construct, or develop a
1-61 mass transit improvement or facility pursuant to this subsection,
1-62 there must be filed with the district a petition requesting the
1-63 improvement or facility executed by owners representing either a

majority in value or a majority in square footage of the real property in the district abutting the right-of-way in which the improvement or facility is proposed to be located. The calculation of the property owners signing the petition, whether based on value or square footage, shall be based on the landowners along the entire right-of-way of the transit project and shall not be calculated on a block by block basis.

(B) The district shall have the power to acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities. Parking facilities include lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles off the streets and include equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles. All parking facilities of the district will either be leased to or operated for the district by a private entity or an entity other than the district. The district's parking facilities will serve the public purposes expressed in Section 1 of this Act and be owned, used, and held for public purposes even if leased or operated by a private entity for a term of years, and the district's public parking facilities and any lease to a private entity will be exempt from the payment of ad valorem taxes and state and local sales and use taxes.

(C) The district may use any of its resources, including revenues, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or a system of public parking facilities. The district may adopt rules and regulations covering its public transit system and its public parking system provided, however, that any rules relating to or affecting the use of the public right-of-way or requirements for off-street parking shall be subject to all applicable municipal charter, code, and ordinance requirements. The district may set and determine and the district may charge, impose, levy, and collect fees, charges, and tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities. If the district pays for or finances the cost of acquiring and operating a public transit system or a system of public parking facilities with resources other than assessments, then no petition of property owners or public hearing thereon is required, just as no petition of property owners and public hearing thereon is required for the provision of all other district services and improvements not paid for or financed with assessments. Notwithstanding this subsection, a petition is required as provided in Subsection (A) of this section before the district may construct transit improvements.

(D) The district is authorized to make contracts, leases, and agreements with, and accept grants and loans from, the United States of America, the state, municipalities, other political subdivisions, and private persons or entities to carry out the purposes of this Act upon such terms and conditions and for such period of time as the governing body of the district may determine.

(E) If the district's acquisition of property for a parking facility which is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been levied for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

SECTION 3. (a) The legislature validates and confirms all governmental acts and proceedings of Harris County Improvement District No. 1 and the district's board of directors that occurred before the effective date of this Act.

(b) This section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final

3-1 judgment of a court of competent jurisdiction; or
3-2 (2) has been held invalid by a court of competent
3-3 jurisdiction.

3-4 SECTION 4. This Act takes effect immediately if it receives
3-5 a vote of two-thirds of all the members elected to each house, as
3-6 provided by Section 39, Article III, Texas Constitution. If this
3-7 Act does not receive the vote necessary for immediate effect, this
3-8 Act takes effect September 1, 2003.

3-9 * * * * *