

By: Fraser

S.B. No. 1944

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation, operation, administration, powers,
3 duties, and financing of the Temple Health and Bioscience Economic
4 Development District.

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

6 SECTION 1. DECLARATION OF FINDINGS AND INTENT. (a) The
7 creation of the Temple Health and Bioscience Economic Development
8 District is essential to accomplish the purposes of Section 59,
9 Article XVI and Section 52-a, Article III, Texas Constitution, and
10 other public purposes stated in this act.

11 (b) The creation of the district is necessary to further the
12 public purpose of improving the economy of the state and the City of
13 Temple, Texas by providing for the development of health and
14 biosciences operations and facilities.

15 (c) Article III, Section 52-a of the Texas Constitution
16 explicitly states that the development and diversification of the
17 economy of the state, the elimination of unemployment or
18 underemployment in the state, the stimulation of agricultural
19 innovation, the fostering of the growth of enterprises based on
20 agriculture, and the development or expansion of transportation or
21 commerce in the state is a public purpose, notwithstanding any
22 other provision of the Texas Constitution.

23 (d) The district is a political subdivision of the state and
24 serves these public purposes.

1 (e) Property owned by the district, which is a political
2 subdivision of the state, is public property.

3 (f) Article VIII, Section 2 (a) of the Texas Constitution
4 states that the legislature may, by general laws, exempt from
5 taxation, public property used for public purposes.

6 (g) This act is intended to be enabling legislation enacted
7 to further the public purposes under and pursuant to Article III,
8 Section 52-a of the Texas Constitution.

9 (h) This act shall be liberally construed in conformity with
10 the legislative findings and purposes set forth in this act.

11 (i) If any provision of the general law is in conflict or
12 inconsistent with this act, this act prevails. Any general law
13 which supplements the power and authority of the district, to the
14 extent not in conflict or inconsistent with the act, is adopted and
15 incorporated by reference.

16 SUBCHAPTER A. GENERAL PROVISIONS

17 SECTION 2. DEFINITIONS. In this chapter:

18 (a) "Board" means the board of directors of the district.

19 (b) "Bonds" means any type of interest-bearing obligation,
20 including a bond, note, bond anticipation note, certificate of
21 participation, lease, contract, or other evidence of indebtedness.

22 (c) "City" means the City of Temple, Texas.

23 (d) "City council" means the governing body of the City.

24 (e) "Director" means a member of the Board.

25 (f) "District" means the Temple Health and Bioscience
26 Economic Development District created under the provisions of this
27 act.

1 (g) "Project" means the lands, buildings, equipment,
2 facilities, infrastructure, and improvements found by the board to:

3 (1) be required or suitable for use for research and
4 development, invention and discovery, commercialization,
5 production of goods and products, development of production process
6 and delivery system purposes in, involved in, based upon, or
7 related to, or that is intended to advance the state of knowledge,
8 skill and understanding of, the biosciences, including, without
9 limitation, wet laboratories, clean rooms, research and
10 development facilities, facilities for the production and
11 manufacturing of bioscience and health products, dry laboratories,
12 genetics facilities and equipment, pharmaceutical facilities and
13 equipment, biotechnology incubators, bioscience and biotech health
14 care facilities, biotech facilities, bioscience facilities and
15 other similar projects;

16 (2) be required or suitable for bioscience educational
17 purposes, including, without limitation, bioscience/health and
18 biotech education facilities regardless of any affiliation with
19 other institutions of higher, vocational or job training education;

20 (3) be required or suitable for use in connection with
21 or in support of any of the foregoing types of health or bioscience
22 projects, including, without limitation, for the purposes of
23 providing, or providing access to, public safety facilities and
24 equipment, streets and roads, drainage services, waste water
25 services, potable water services, telecommunication facilities,
26 demolition of existing structures, development and institution of
27 water conservation programs, chilled water services, steam

1 services, industrial gases services, and other utility and process
2 and production services; or

3 (4) be required or suitable for support, maintenance,
4 or operations of logistics and distribution purposes and functions
5 associated with any of the foregoing.

6 SECTION 3. APPLICABILITY. This act applies only to the City
7 of Temple, Texas.

8 SUBCHAPTER B. CREATION OF DISTRICT AND PROVIDING FOR AN AD VALOREM
9 TAX

10 SECTION 4. APPLICATION FOR PETITION. (a) If 10 or more
11 qualified voters of the city file a written application, the city
12 secretary/elections official of 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 those qualified voters of the city
15 who desire either that a local option election be called in the city
16 for the purpose of determining whether to establish the district
17 and the levy and collection of an ad valorem tax not to exceed
18 fifteen cents per \$100 valuation of all taxable property located
19 within the boundaries of the district, or that a local option
20 election be called in the city for the purpose of determining
21 whether to establish the district without the power of the district
22 to levy and collect an ad valorem tax.

23 (b) If the district is formed as provided in the act without
24 the power to levy and collect an ad valorem tax, then 10 or more
25 qualified voters of the city may file a written application with the
26 city secretary/elections official of the city to issue to the
27 applicants a petition to be circulated among the qualified voters

1 of the city for the signatures of those qualified voters of the city
2 who desire to enable the district to levy and collect an ad valorem
3 tax not to exceed fifteen cents per \$100 valuation of all taxable
4 property located within the boundaries of the district.

5 (c) If the applicants for a petition under this section so
6 request, a petition expressing the desire for the local option
7 election to determine whether the district shall have the power to
8 levy and collect an ad valorem tax may also express the desire that
9 at the same election the district be authorized to issue bonds
10 payable in whole or in part from that ad valorem tax as permitted
11 under Section 23 of this act.

12 SECTION 5. HEADING, STATEMENT, AND ISSUE ON APPLICATION FOR
13 PETITION TO CREATE DISTRICT. (a) An application for a petition
14 under Section 4(a) seeking an election to establish the district
15 with the power to levy and collect the ad valorem tax shall be
16 entitled: "Application for Local Option Election Petition to
17 create the Temple Health and Bioscience Economic Development
18 District with the Power to Levy and Collect an Ad Valorem Tax not to
19 Exceed fifteen cents per \$100 Valuation on all Taxable Property in
20 the District." The application shall contain a statement just
21 prior to the signatures of the applicants which reads substantially
22 as follows: "It is the hope, purpose and intent of the applicants
23 whose signatures appear on this petition for the Temple Health and
24 Bioscience Economic Development District referred to in the issue
25 set out above to be established and created." If the petition also
26 seeks an election to authorize the issuance of bonds by the district
27 payable in whole or in part from ad valorem taxes, then the

1 statement: "and to Issue Bonds Payable in Whole or in Part from Such
2 Ad Valorem Tax" shall be appended to the end of the title specified
3 in this subsection.

4 (b) An application for a petition under Section 4(a) seeking
5 an election to establish the district without the power to levy and
6 collect the ad valorem tax shall be entitled: "Application for
7 Local Option Election Petition to create the Temple Health and
8 Bioscience Economic Development District." The application shall
9 contain a statement just prior to the signatures of the applicants
10 which reads substantially as follows: "It is the hope, purpose and
11 intent of the applicants whose signatures appear on this petition
12 for the Temple Health and Bioscience Economic Development District
13 referred to in the issue set out above to be established and
14 created."

15 (c) If the district initially is created without ad valorem
16 taxing authority, an application for a petition under Section 4(b)
17 seeking an election to enable the district to levy and collect an ad
18 valorem tax not to exceed fifteen cents per \$100 valuation of all
19 taxable property located within the boundaries of the district
20 shall be entitled: "Application for Local Option Election Petition
21 to Enable the Temple Health and Bioscience Economic Development
22 District to Levy and Collect an Ad Valorem Tax not to Exceed fifteen
23 cents per \$100 Valuation on all Taxable Property Located within the
24 Boundaries of the District." The application shall contain a
25 statement just prior to the signatures of the applicants which
26 reads substantially as follows: "It is the hope, purpose and intent
27 of the applicants whose signatures appear on this petition for the

1 Temple Health and Bioscience Economic Development District to be
2 enabled to levy and collect an ad valorem tax not to exceed fifteen
3 cents per \$100 valuation of all taxable property located within the
4 boundaries of the district." If the petition also seeks an election
5 to authorize the issuance of bonds by the district payable in whole
6 or in part from ad valorem taxes, then the statement: "and to Issue
7 Bonds Payable in Whole or in Part from Such Ad Valorem Tax" shall be
8 appended to the end of the title specified in this subsection.

9 (d) Each petition shall show the date it is issued by the
10 city secretary/elections administrator and be serially numbered.
11 Each page of a petition shall bear the same date and serial number.

12 SECTION 6. COPIES OF PETITION. The city
13 secretary/elections administrator shall supply as many copies of
14 the petition as may be required by the applicants but not to exceed
15 more than one page of the petition for every 10 registered voters in
16 the city. Each copy shall bear the date, number, and seal on each
17 page as required on the original petition.

18 (a) The city secretary/elections administrator shall keep a
19 copy of each petition and a record of the applicants for that
20 petition.

21 SECTION 7. FILING AND VERIFICATION OF PETITION. At any time
22 prior to the expiration of 120 days following the date on which a
23 petition is issued by the city secretary/elections administrator
24 pursuant to Section 5, the applicants requesting the petition may
25 file a request with the city secretary/elections administrator of
26 the city for the petition to be verified under subsection (b)
27 following.

1 If a request for verification of a petition is timely made
2 under subsection (a) preceding, the city secretary/elections
3 administrator shall examine the names of the signers of petitions
4 and determine whether the signers of the petition were qualified
5 voters of the city at the time the petition was issued. The city
6 secretary/elections administrator shall certify to the city
7 council the number of qualified voters signing the petition not
8 later than 15 days following the date the request for verification
9 was filed with the city secretary/elections administrator under
10 paragraph (a) preceding.

11 (a) No signature may be counted, either by the city
12 secretary/elections administrator or city council, where there is
13 good reason to believe that:

14 (1) it is not the actual signature of the purported
15 signer;

16 (2) the voter registration certificate number is not
17 correct;

18 (3) it is a duplication either of a name or of
19 handwriting used in any other signature on the petition; or

20 (4) the residence address of the signer cannot be
21 verified.

22 SECTION 8. REQUIREMENTS TO ORDER ELECTION. The city
23 council, not later than the second regular session to be convened
24 next after a petition has been verified by the city
25 secretary/elections administrator under Section 7, shall order a
26 local option election (in accordance with the Election Code when
27 not inconsistent with this act) to be held on the issue set out in

1 the petition, if the petition is submitted for verification to the
2 city secretary/registrar of voters not later than 120 days after
3 the date it was issued and contains the following:

4 the actual signatures of a number of qualified voters of the
5 city equal to at least 10% percent of the registered voters of the
6 city who voted in the most recent general election in the city;

7 (a) a notation showing the residence address of each of the
8 signers;

9 (b) each signer's voter registration certificate number;

10 and

11 (c) each signer's printed name.

12 The dates a petition is presented to and verified by the city
13 secretary/elections administrator, the names of the signers, and
14 the action taken with respect to the petition shall be entered in
15 the minutes of the city council.

16 SECTION 9. NOTICE AND CONDUCT OF ELECTION. If the
17 requirements to order an election are met, the city council shall
18 give notice of an election to be held under this act on the issue set
19 out in the verified petition by publishing a substantial copy of the
20 election ordinance once a week for two consecutive weeks in a
21 newspaper with general circulation in the city. The first
22 publication must appear before the 14th day before the date set for
23 the election. If the election ordinance includes the issue of
24 whether the district shall be authorized to issue bonds as provided
25 in Section 23 of this act, then the first publication must appear
26 before the 31st day before the date set for the election.

27 The ordinance calling the election must:

1 (1) define the boundaries of the district to be the
2 boundaries of the city as the boundaries of the city are adjusted
3 from time to time by the city; and

4 (2) call for the election to be held within those
5 boundaries.

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

9 (1) "Authorizing the establishment and creation of the
10 Temple Health and Bioscience Economic Development District and the
11 levy and collection of an ad valorem tax not to exceed the rate of
12 fifteen cents per \$100 valuation of all taxable property located
13 within the boundaries of the district, all as provided in Chapter
14 _____, Acts of the 78th Legislature of the State of Texas."

15 (2) "Authorizing the establishment and creation of the
16 Temple Health and Bioscience Economic Development District and the
17 levy and collection of an ad valorem tax not to exceed the rate of
18 fifteen cents per \$100 valuation of all taxable property located
19 within the boundaries of the district and to issue bonds payable in
20 whole or in part from such ad valorem tax, all as provided in
21 Chapter _____, Acts of the 78th Legislature of the State of Texas."

22 (3) "Authorizing the establishment and creation of the
23 Temple Health and Bioscience Economic Development District, all as
24 provided in Chapter _____, Acts of the 78th Legislature of the State
25 of Texas."

26 (4) "Authorizing the levy and collection of an ad
27 valorem tax not to exceed the rate of fifteen cents per \$100

1 valuation of all taxable property located within the boundaries of
2 the district, all as provided in Chapter _____, Acts of the 78th
3 Legislature of the State of Texas."

4 (5) Authorizing the levy and collection of an ad
5 valorem tax not to exceed the rate of fifteen cents per \$100
6 valuation of all taxable property located within the boundaries of
7 the district and to issue bonds payable in whole or in part from
8 such ad valorem tax, all as provided in Chapter _____, Acts of the
9 78th Legislature of the State of Texas."

10 (c) The district is established and created if a majority of
11 the registered voters of the proposed district voting at the
12 election favor establishment and creation of the district. The
13 authority of the district to levy and collect an ad valorem tax not
14 to exceed the rate of fifteen cents per \$100 valuation of all
15 taxable property located within the boundaries of the district is
16 established if a majority of the registered voters of the district
17 voting at the election favor its levy and collection. The authority
18 of the district to issue bonds payable wholly or partially from ad
19 valorem taxes is established if a majority of the registered voters
20 of the district voting at the election favor such authorization.

21 (d) If a majority of the registered voters of the proposed
22 district voting at the election to establish and create the
23 district vote against establishing and creating the district,
24 another election on the question of establishing and creating the
25 district may not be held in the city before the first anniversary of
26 the date of the most recent election concerning the establishment
27 and creation of a district. If a majority of the registered voters

1 of the district voting at the election to establish the power of the
2 district to levy and collect an ad valorem tax vote against
3 establishing such power, another election on the question of
4 establishing such power may not be held in the city before the first
5 anniversary of the date of the most recent election concerning the
6 establishment of the power of the district to levy and collect such
7 ad valorem tax. If a majority of the registered voters of the
8 district voting at the election to authorize the district to issue
9 bonds payable wholly or partially from ad valorem taxes vote
10 against such authorization, another election on the question of
11 authorizing the district to issue bonds payable wholly or partially
12 from ad valorem taxes may not be held in the city before the first
13 anniversary of the date of the most recent election concerning
14 authorizing the district to issue bonds payable wholly or partially
15 from ad valorem taxes.

16 (e) If not inconsistent with this act, the Election Code
17 governs elections held under this section.

18 (f) An election provided under this section shall be held on
19 the earliest of the four uniform election dates under Section
20 41.001, Election Code, to occur following the adoption of the
21 ordinance calling the election by the city council that is eligible
22 for the election to be held.

23 SECTION 10. POLITICAL SUBDIVISION. The district is a
24 political subdivision, a body politic and corporate, and a public
25 agency of this state. For the purposes of Chapter 101 of the Civil
26 Practices and Remedies Code, the district is a governmental unit
27 and its actions are governmental functions.

1 (a) No director or employee of the district shall be liable
2 for damages arising from the performance of a governmental function
3 of the district.

4 SUBCHAPTER C. BOARD OF DIRECTORS

5 SECTION 11. ELECTION, COMPOSITION, AND APPOINTMENT OF
6 BOARD. A district is governed by a board of seven directors.

7 (a) If the voters approve the establishment and creation of
8 the district, a temporary board shall be appointed, by resolution
9 of the city council, to serve until the first election of directors.
10 The resolution by the city council shall also divide the appointed
11 directors into two groups: one group serves up to a four-year term
12 and the other group serves up to a three-year term, with the actual
13 terms to be until their respective successors are duly elected and
14 take office in accordance with this act.

15 (b) Elections of directors shall be held on the same
16 election day as that on which members of the city council are
17 regularly to be elected, with four directors to be elected on the
18 election day on which the mayor of the city is to be regularly
19 elected and with three directors to be elected on the election day
20 on which members of the city council, but not the mayor of the city,
21 are to be regularly elected. The first election of directors shall
22 occur on the next regular election day on which members of the city
23 council are to be elected at an election held at least twelve months
24 following the date of the creation of the district.

25 (c) Directors (other than the temporary directors appointed
26 under section) shall serve staggered three-year terms and are to be
27 elected in accordance with the Election Code to the extent not

1 inconsistent with the other provisions of this act.

2 (d) To qualify to serve as a director, a person must be a
3 registered voter of the city. No employee of the district or the
4 city nor any elected official may serve as a director.

5 SECTION 12. BOARD VACANCY. A vacancy in the office of
6 director shall be filled by appointment of a new director by the
7 board. Such appointed director shall serve until the next regular
8 election of any director of the district, at which election, in
9 addition to the director or directors otherwise to be elected at
10 that time, a director to fill the balance of the term of the
11 director as to which a vacancy occurred shall also be elected.

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

17 (a) Each director's bond must be approved by the board, and
18 each director shall take the oath of office prescribed by the Texas
19 Constitution for public officers.

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

22 SECTION 14. COMPENSATION. A director shall serve without
23 compensation, but is entitled to reimbursement for actual and
24 necessary expenses approved by the board.

25 SECTION 15. BOARD OFFICERS. The board shall designate from
26 the members of the board a presiding officer, a secretary, and such
27 other officers the board considers necessary. By order the board

1 shall establish the duties and powers of the officers of the board,
2 subject to the provisions of this act.

3 SECTION 16. MEETINGS AND NOTICE; OPEN MEETINGS. The board
4 may establish regular meetings to conduct the business of the
5 district and may hold special meetings at other times as the
6 business of the district requires.

7 (a) Notice of the time, place, and purpose of a meeting of
8 the board shall be given by posting the notice at a place convenient
9 to the public in the district. A copy of the notice shall be
10 furnished to the city secretary, who shall post it at the usual
11 location at which the posting of notices of meetings of the city
12 council are posted.

13 (b) Except as otherwise provided by this act, Chapter 551,
14 Government Code, applies to the meetings of the board. Any
15 interested person may attend any meeting of the board.

16 SECTION 17. MANAGEMENT OF DISTRICT. The board has control
17 over and shall manage the affairs of the district and shall employ
18 any person, firm, partnership, or corporation the board considers
19 necessary for conducting the affairs of the district, including,
20 but not limited to, engineers, attorneys, financial advisors,
21 economist, a general manager, a utility operator, bookkeepers,
22 auditors, and clerical workers.

23 (a) The board shall determine by resolution the term of
24 office and the compensation of any employee of the district and the
25 terms of any contract with a consultant, advisor or counselor.

26 (b) The board may remove any employee.

27 (c) The board may require an officer or employee to execute

1 a bond payable to the district and conditioned on the faithful
2 performance of the person's duties.

3 SECTION 18. DISTRICT OFFICE. The board shall designate and
4 establish an office of the district in the city.

5 SECTION 19. SUITS. A district, after it is created and
6 confirmed, through its directors, may sue and be sued in any court
7 of this state in the name of the district. Service of process in any
8 suit may be made by serving any two directors. The district may
9 institute and prosecute suits without giving security for costs,
10 and may appeal from a judgment without giving supersedeas or cost
11 bond.

12 SECTION 20. EXPENDITURES. The board by resolution shall
13 establish the number of directors' signatures and the procedures
14 required for a disbursement or transfer of the district's funds.

15 SUBCHAPTER D. POWERS AND DUTIES

16 SECTION 21. GENERAL POWERS OF DISTRICT. The district has
17 the powers, necessary or convenient:

18 (1) to carry out and effect the purposes and
19 provisions of this act and to perform any act necessary or
20 convenient to the full exercise of the district's powers, including
21 the powers granted in this section ;

22 (2) to make and enter contracts, leases, and
23 agreements with, and accept contributions, grants and loans from,
24 a:

25 (A) department or agency of the United States and
26 its departments and agencies;

27 (B) the state and its departments and agencies,

1 any counties, municipalities, college districts, school districts,
2 and any other political subdivisions of this state or nonprofit
3 organizations; and

4 (C) any colleges, universities, or other
5 educational institutions and any other person, public or private;

6 (3) to establish and provide for the administration of
7 one or more programs, including programs for making loans and
8 grants of public money and providing personnel and services of the
9 district, to promote state or local economic development and to
10 stimulate business and commercial activity in the district that
11 relates to a project;

12 (4) to do any of the following:

13 (A) administer a project related program by the
14 use of district personnel;

15 (B) contract with any department or agency of the
16 United States or its departments and agencies; the state and its
17 departments and agencies, any counties, municipalities, college
18 districts, school districts, and any other political subdivisions;
19 and nonprofit organizations, or any other person or entity for the
20 administration of a project related program; and

21 (C) accept contributions, gifts, or other
22 resources to develop, support or administer a project related
23 program;

24 (5) to create programs for the grant of public money to
25 any organization exempt from taxation under Section 501(a) of the
26 Internal Revenue Code of 1986 (the "Code") as an organization
27 described in Section 501(c)(3) of the Code for the public purposes

1 of development and diversification of the economy of the state,
2 elimination of unemployment or underemployment in the state, and
3 development or expansion of commerce in the state that relate to a
4 project. The grants must be in furtherance of those public purposes
5 and shall be used by the recipient as determined by the recipient's
6 governing board for project related programs found by the district
7 to be in furtherance of this section and under conditions
8 prescribed by the district;

9 (6) to levy a special assessment or a non-ad valorem
10 tax on property or other property interests including leasehold
11 interests by agreement of the property owner;

12 (7) to acquire, sell, convey, lease as lessor or
13 lessee, or otherwise acquire or dispose of property or any interest
14 in property (whether real, personal or mixed) in the district or for
15 use in the district, including a project located in the district,
16 under terms and conditions determined by the board;

17 (8) to employ necessary personnel;

18 (9) to invest funds of the district in any investments
19 authorized by Chapter 2256, Government Code, as amended, and
20 provide, by resolution, that an authorized representative manage
21 the district's funds and invest and reinvest the funds of the
22 district on terms the board considers advisable;

23 (10) to establish a complete system of accounts for
24 the district and each year shall have prepared an audit of the
25 district's affairs, which shall be open to public inspection, by an
26 independent certified public accountant or a firm of independent
27 certified public accounts;

1 (11) to designate one or more financial institutions
2 to serve as the depository bank or banks for the district;

3 (12) to incur liabilities, borrow money on terms and
4 conditions the board determines, and issue bonds or other
5 obligations;

6 (13) to establish and maintain reasonable and
7 nondiscriminatory rates, fares, charges, rents, or other fees or
8 compensation for the use of the improvements constructed, operated,
9 or maintained by the district;

10 (14) to adopt a seal for the district;

11 (15) to establish a fiscal year for the district; and

12 (16) to adopt rules to govern the operation of the
13 district and its employees and property.

14 (b) The district may contract with a public or private
15 entity or person to:

16 (1) plan, operate, manage, maintain, acquire,
17 establish, develop, construct, renovate, equip, repair or alter a
18 project located in the district; or

19 (2) perform any other act the district is authorized
20 to perform under this act including operations and maintenance of a
21 project in the district.

22 (c) The board by resolution may authorize the creation of a
23 nonprofit corporation pursuant to the Texas Non-Profit Corporation
24 Act, including, without limitation, a scientific research
25 corporation, to assist and act on behalf of the district in
26 implementing a project or providing a service authorized by this
27 act. Any nonprofit corporation created by the board shall be

1 subject to the following:

2 (1) The board shall appoint the board of directors of a
3 nonprofit corporation created under this section and may include
4 the appointment of the board of the district as the board of the
5 nonprofit corporation. The board of directors of the nonprofit
6 corporation shall serve in the same manner as, for the same term as,
7 and on the conditions of the board of directors of a local
8 government corporation created under Chapter 431, Transportation
9 Code.

10 (2) A nonprofit corporation created under this section
11 has the powers of and is considered for purposes of this subchapter
12 to be a local government corporation created under Chapter 431,
13 Transportation Code.

14 (3) A nonprofit corporation created under this section
15 may implement any project and provide any services authorized by
16 the district.

17 (d) Annually, the board shall engage by written agreement
18 the services of a certified public accountant or a certified public
19 accounting firm to perform an audit of the financial records of the
20 district. Annually, the report and accompanying statements
21 prepared by such auditor shall be delivered to the district and
22 shall be made available by the district to citizens of the city upon
23 request.

24 SECTION 22. PROJECT FUND. The district shall establish by
25 resolution a fund known as the project fund. The district may
26 establish separate accounts within the project fund.

27 (a) The district shall deposit into the project fund:

1 (1) the proceeds from any ad valorem tax levied by the
2 district;

3 (2) subject to the provisions of any order or
4 indenture authorizing the sale of bonds or other obligations, all
5 revenue from the sale of bonds or other obligations by the district;

6 (3) any other money acquired or received by the
7 district; and

8 (4) any other money required by law to be deposited in
9 the project fund.

10 (b) The district may use money in the project fund to:

11 (1) pay the costs of planning, acquiring,
12 establishing, developing, constructing, maintaining, operating,
13 repairing, altering, equipping, or renovating one or more projects
14 in the district;

15 (2) pay the principal of, interest on, and other costs
16 relating to bonds or other obligations issued by the district or to
17 refund these bonds or other obligations; or

18 (3) pay the costs of operating or maintaining one or
19 more projects in the district during the planning, acquisition,
20 establishment, development, construction, operation, repairing,
21 altering, equipping, or renovation or while bonds or other
22 obligations of the district are outstanding.

23 SECTION 23. BONDS AND OTHER OBLIGATIONS. The district may
24 issue bonds, including revenue bonds and refinancing and refunding
25 bonds, or other obligations to pay the costs of a project located in
26 the district.

27 (1) The bonds or other obligations and the proceedings

1 authorizing the bonds or other obligations shall be submitted to
2 the attorney general for review and approval as required by Chapter
3 1202, Government Code. If the Attorney General finds that the bonds
4 have been authorized and any assessment, contract, or lease has
5 been made in accordance with law, the Attorney General shall
6 approve the bonds and the assessment, contract or lease, and the
7 bonds shall be registered by the comptroller. After approval and
8 registration, the bonds and any assessment, contract, or lease
9 relating thereto are incontestable in any court or other forum for
10 any reason and are valid and binding obligations of the district for
11 all purposes in accordance with their terms.

12 (2) The bonds or other obligations may be payable from
13 and may be secured by lien on and pledge of the gross or net revenues
14 of a project or all or a portion of the revenues of the district.

15 (3) The bonds or other obligations may mature,
16 serially or otherwise, not more than 40 years from their date of
17 issuance.

18 (4) Bonds issued under Section 23(a)(2) are not an
19 obligation or a pledge of the faith and credit of this state,
20 another political subdivision of this state, or an agency of this
21 state. Each bond must contain on its face a statement that neither
22 the faith and credit nor the taxing power of this state, or another
23 political subdivision of this state is pledged to the payment of the
24 principal of or the interest on the bonds.

25 (5) Bonds issued under this act may be sold in any
26 manner authorized by the district and permitted by Chapter 1201,
27 Government Code.

1 (6) The interest rate on the bonds may be determined by
2 a formula or index or in accordance with a contract or other
3 arrangement for the periodic determination of interest rates all as
4 provided by the provisions of Chapter 1204, as amended, Government
5 Code.

6 (7) The proceeds of the bonds of the district may be
7 used to:

8 (A) finance, refinance, or provide one or more
9 projects;

10 (B) maintain reserve funds determined by the
11 district to be necessary and appropriate; or

12 (C) pay any costs relating to the issuance or
13 incurrence of bonds by the district including:

14 (i) the cost of:

15 (1) financing charges and capitalized
16 interest on the bonds;

17 (2) financing, legal, accounting,
18 financial advisory, and appraisal fees, expenses, and
19 disbursements;

20 (3) an insurance policy;

21 (4) printing, engraving, and
22 reproduction services;

23 (5) the initial and acceptance fees of
24 a trustee, paying agent, bond registrar, or authenticating agent;
25 and

26 (6) a credit agreement, as defined in
27 Chapter 1371, as amended, Government Code; and

1 (ii) reasonable amounts to reimburse the
2 district for time spent by its agents or employees with respect to
3 the issuance, incurrence, or purchase.

4 (b) Revenue bonds may be additionally secured by a mortgage
5 or deed of trust on real property relating to the facilities
6 authorized under this act owned or to be acquired by the district
7 and by chattel mortgages, liens, or security interests on personal
8 property appurtenant to that real property. The board may
9 authorize the execution of trust indentures, mortgages, deeds of
10 trust, or other forms of encumbrance to evidence the indebtedness.

11 (c) The board may pledge to the payment of the bonds all or
12 any part of any grant, donation, revenues, or income received or to
13 be received from the United States government or any other public or
14 private source.

15 (d) Bonds payable in whole or in part from ad valorem taxes
16 may not be issued unless approved by a majority vote of the
17 qualified voters of the district voting in an election held for that
18 purpose.

19 (1) Elections shall be called and held as provided by
20 the appropriate provisions of this act and the Election Code.

21 (2) The district shall impose an ad valorem tax as
22 permitted by this act if the bonds are payable wholly or partly from
23 ad valorem taxes.

24 (3) A bond election and any other election may be held
25 at the same time and in conjunction with any other election.

26 (4) Bonds payable from sources other than ad valorem
27 taxes may be issued by the district without approval at an election.

1 (5) A district may not authorize bonds secured in
2 whole or in part by ad valorem taxes unless a majority of the
3 district's qualified voters who vote at an election ordered for
4 that purpose approve the issuance of the bonds.

5 (6) The board may order an election on the bonds if the
6 bonds are not payable wholly or partially from ad valorem taxes.
7 The order must contain the same information contained in the notice
8 of the election.

9 (7) The board shall publish notice of the election at
10 least once in a newspaper of general circulation in the district.
11 The notice must be published not later than the 31st day before
12 election day.

13 (8) In addition to the contents of the notice required
14 by the Election Code, the notice must state:

15 (A) the amount of bonds to be authorized; and

16 (B) the maximum maturity of the bonds.

17 (9) At an election to approve bonds payable wholly
18 partially from ad valorem taxes that is not provided for in Section
19 9 of this act, the ballots must be printed to provide for voting for
20 or against the following: "The issuance of bonds and the levy of
21 taxes adequate to provide for payment of the bonds."

22 (10) At an election to approve bonds payable from both
23 ad valorem taxes and revenues that is not provided for in Section 9
24 of this act, the ballots must be printed to provide for voting for
25 or against the following: "The issuance of bonds and the pledge of
26 revenues and the levy of ad valorem taxes adequate to provide for
27 the payment of the bonds."

1 (e) The district shall be classified as an "Issuer" with the
2 ability to incur an "Obligation" pursuant to the provisions of an
3 "Obligation authorization" each as defined in Chapter 1371, as
4 amended, Government Code.

5 (f) The district's bonds are legal and authorized
6 investments for:

7 (1) banks, trust companies, financial institutions,
8 and savings and loan associations;

9 (2) insurance companies;

10 (3) fiduciaries, trustees, and guardians; and

11 (4) all interest and sinking funds and other public
12 funds of the state and agencies, subdivisions, and
13 instrumentalities of the state, including counties,
14 municipalities, towns, villages, school districts, and all other
15 kinds and types of districts, public agencies, and bodies politic.

16 (g) The district's bonds are eligible and lawful security
17 for deposits of counties, municipalities, towns, villages, school
18 districts, and all other kinds and types of districts, public
19 agencies, and bodies politic, to the extent of the market value of
20 the bonds, when accompanied by any unmatured interest coupons
21 appurtenant to the bonds.

22 SECTION 24. PROJECTS ARE HELD FOR PUBLIC PURPOSES. The
23 legislature finds for all constitutional and statutory purposes
24 that a project which is owned by the district is held for public
25 purposes.

26 SUBCHAPTER E. AD VALOREM TAX

27 SECTION 25. LEVY OF AD VALOREM TAX. The district by order

1 may impose an ad valorem tax not to exceed fifteen cents per \$100
2 valuation on all non-exempt property located in the district.

3 A district may impose an ad valorem tax under this act only if
4 the levying and collection of the ad valorem tax provided in this
5 act is approved at an election held under Section 9 of this act.

6 SECTION 26. TAX CODE APPLICABLE. The Tax Code governs the
7 appraisal, assessment, computation, administration, collection,
8 and remittance of any ad valorem tax authorized under this act.

9 The board may provide for the appointment of a tax
10 assessor-collector for the district or may contract for the
11 assessment and collection of taxes as provided in the Tax Code.

12 SECTION 27. TAX RATE. The rate of tax levied under this act
13 shall be at the rate approved by the board; however, such rate must
14 be not more than fifteen cents per \$100 valuation on all taxable
15 property in the district. The board may change the rate of tax from
16 time to time, consistent with the obligations of the district;
17 provided, that in no event shall the rate of tax exceed fifteen
18 cents per \$100 valuation of all taxable property in the district.

19 SECTION 28. DEPOSIT OF TAX REVENUES. Revenue from the ad
20 valorem tax imposed under this act shall be deposited in the project
21 fund of the district.

22 SUBCHAPTER F. COMPETITIVE BIDDING

23 SECTION 29. COMPETITIVE BIDDING. Sections 375.221 and
24 375.223 of the Local Government Code apply to a district created
25 under this chapter.

26 SECTION 30. EXEMPTION. Notwithstanding any other provision
27 of this act to the contrary, any contract between the district and a

1 governmental entity or nonprofit corporation including a
2 scientific research corporation and a corporation created under the
3 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas
4 Civil Statutes) is not subject to the competitive bidding
5 requirements of this chapter.

6 SUBCHAPTER G. DISSOLUTION OF DISTRICT

7 SECTION 31. DISSOLUTION OF DISTRICT. A district may be
8 dissolved only as provided by this act.

9 SECTION 32. DISSOLUTION BY ORDER OF CITY COUNCIL. The board
10 may petition the city council to dissolve the district if a majority
11 of the board finds at any time:

12 (1) before the issuance of bonds or other obligations
13 of the district that the purposes of the district are impracticable
14 or reasonably and economically cannot be successful or
15 accomplished; or

16 (2) that all bonds and other obligations of the
17 district have been paid (or provisions for payment have been made)
18 and the purposes of the district have been accomplished.

19 (b) On receipt of a petition from the board for the
20 dissolution of the district, the city council shall hold a public
21 hearing on the dissolution of the district.

22 (c) If the city council unanimously determines that the best
23 interests of the city and the citizens of the city will be served by
24 dissolving the district, the city council shall enter in its
25 records the appropriate findings and order dissolving of the
26 district. Otherwise, the city council shall enter its order
27 providing that the district has not been dissolved. On dissolution

1 of the district, funds and property of the district, if any, shall
2 be transferred to the city and the city shall assume any remaining
3 contracts or other obligations of the district.

4 SECTION 33. DISSOLUTION OF DISTRICT ON AGREEMENT WITH THE
5 CITY. The district may be dissolved at any time by agreement
6 between the city council of the city and the board. The agreement
7 shall require the city to acquire all of the money, property, and
8 other assets of the district and assume all contracts, debts,
9 bonds, and other obligations of the district, and the city shall be
10 bound in the same manner and to the same extent that the district
11 was bound with respect to those contracts, debts, bonds, and other
12 obligations. On dissolution of the district, the taxes levied by
13 the district are abolished.

14 SECTION 34. SEVERABILITY. Nothing in this act shall be
15 construed to violate any provision of the federal or state
16 constitution, and all acts done under this act shall be in such
17 manner as will conform thereto, whether expressly provided or not.
18 Where any procedure hereunder may be held by any court to be
19 violative of either of such constitutions, the district shall have
20 the power by order to provide an alternative procedure that
21 conforms to such constitutions. If any provisions of this act
22 should be invalid, such fact shall not affect the validity of any
23 other provisions of this act, and the legislature hereby declares
24 that it would have enacted the valid provisions of this act
25 notwithstanding the invalidity of any other provision or provisions
26 hereof.