

1-1 By: Fraser S.B. No. 1944  
1-2 (In the Senate - Filed May 5, 2003; May 6, 2003, read first  
1-3 time and referred to Committee on Business and Commerce;  
1-4 May 9, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; May 9, 2003, sent  
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1944 By: Fraser

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

1-10 relating to the creation of the Temple Health and Bioscience  
1-11 Economic Development District; providing authority to impose a tax  
1-12 and issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 ARTICLE 1. LEGISLATIVE FINDINGS AND INTENT; CONSTRUCTION OF ACT

1-15 SECTION 1.001. DECLARATION OF LEGISLATIVE FINDINGS AND  
1-16 INTENT. (a) The creation of a district under this Act is essential  
1-17 to accomplish the purposes of Section 52-a, Article III, and  
1-18 Section 59, Article XVI, Texas Constitution, and to accomplish  
1-19 other public purposes stated in this Act.

1-20 (b) This Act is enabling legislation enacted to further the  
1-21 public purposes under Section 52-a, Article III, Texas  
1-22 Constitution.

1-23 (c) The creation of a district under this Act is necessary  
1-24 to further the public purpose of improving the economy of the state  
1-25 and the City of Temple by providing for the development of health  
1-26 and bioscience operations and facilities.

1-27 (d) A district created under this Act serves the public  
1-28 purposes stated in this section.

1-29 SECTION 1.002. CONSTRUCTION OF ACT. (a) This Act shall be  
1-30 liberally construed in conformity with the legislative findings and  
1-31 purposes set forth in this Act.

1-32 (b) Chapter 311, Government Code (Code Construction Act),  
1-33 applies to this Act.

1-34 (c) A reference to a section without further identification  
1-35 is a reference to a section of this Act.

1-36 ARTICLE 2. GENERAL PROVISIONS

1-37 SECTION 2.001. DEFINITIONS. In this Act:

1-38 (1) "Board" means the board of directors of the  
1-39 district.

1-40 (2) "Bond" means an interest-bearing obligation  
1-41 issued by the district under this Act, including a bond,  
1-42 certificate, note, or other evidence of indebtedness.

1-43 (3) "City council" means the governing body of the  
1-44 City of Temple.

1-45 (4) "Director" means a board member.

1-46 (5) "District" means the Temple Health and Bioscience  
1-47 Economic Development District.

1-48 (6) "Project" means a project established under  
1-49 Section 5.010 and includes the land, buildings, equipment,  
1-50 facilities, infrastructure, improvements, and other property  
1-51 necessary to accomplish the purposes of the project.

1-52 SECTION 2.002. NATURE OF DISTRICT. The district is a  
1-53 special district and a political subdivision of this state under  
1-54 Section 59, Article XVI, Texas Constitution.

1-55 ARTICLE 3. CREATION OF DISTRICT

1-56 SECTION 3.001. APPLICATION FOR PETITION TO CREATE DISTRICT.

1-57 (a) If 10 or more qualified voters of the City of Temple file a  
1-58 written application with the city, the city shall issue to the  
1-59 applicants a petition to be circulated among the qualified voters  
1-60 of the city for the signatures of voters who desire that a local  
1-61 option election be called in the city to determine whether to create  
1-62 the district:

1-63 (1) with the power to impose an ad valorem tax not to

2-1 exceed 15 cents per \$100 valuation of all taxable property in the  
2-2 district; or

2-3 (2) without the power to impose an ad valorem tax.

2-4 (b) If the district is created without the power to impose  
2-5 an ad valorem tax and 10 or more qualified voters of the City of  
2-6 Temple file a written application with the city for a petition to  
2-7 enable the district to impose a tax, the city shall issue to the  
2-8 applicants a petition to be circulated among the qualified voters  
2-9 of the city for the signatures of voters who desire to enable the  
2-10 district to impose an ad valorem tax not to exceed 15 cents per \$100  
2-11 valuation of all taxable property in the district.

2-12 (c) At the request of petitioners under this section, a  
2-13 petition for a local option election to determine whether the  
2-14 district may impose an ad valorem tax may also express that at the  
2-15 same election the district shall be authorized to issue bonds  
2-16 payable in whole or in part from that ad valorem tax as permitted  
2-17 under Section 6.010.

2-18 SECTION 3.002. HEADING, STATEMENT, AND ISSUE ON APPLICATION  
2-19 FOR PETITION TO CREATE DISTRICT. (a) An application for a  
2-20 petition under Section 3.001 to create the district with the power  
2-21 to impose an ad valorem tax must be entitled: "Application for  
2-22 Local Option Election Petition to Create the Temple Health and  
2-23 Bioscience Economic Development District with the Power to Impose  
2-24 an Ad Valorem Tax not to Exceed 15 Cents per \$100 Valuation of all  
2-25 Taxable Property in the District." The application must contain a  
2-26 statement just before the signatures of the applicants that reads  
2-27 substantially as follows: "The petitioners whose signatures appear  
2-28 on this petition intend that the Temple Health and Bioscience  
2-29 Economic Development District referred to in the issue set out  
2-30 above be created." If the petition also seeks an election to  
2-31 authorize the issuance of bonds by the district payable in whole or  
2-32 in part from ad valorem taxes, the statement: "and to Issue Bonds  
2-33 Payable in Whole or in Part from the Ad Valorem Tax" must be  
2-34 appended to the end of the title specified in this subsection.

2-35 (b) An application for a petition under Section 3.001(a) to  
2-36 create the district without the power to impose the ad valorem tax  
2-37 must be entitled: "Application for Local Option Election Petition  
2-38 to Create the Temple Health and Bioscience Economic Development  
2-39 District." The application must contain a statement just before  
2-40 the signatures of the applicants that reads substantially as  
2-41 follows: "The petitioners whose signatures appear on this petition  
2-42 intend that the Temple Health and Bioscience Economic Development  
2-43 District referred to in the issue set out above be created."

2-44 (c) If the district initially is created without ad valorem  
2-45 taxing authority, an application for a petition under Section  
2-46 3.001(b) seeking an election to enable the district to impose an ad  
2-47 valorem tax not to exceed 15 cents per \$100 valuation of all taxable  
2-48 property in the district must be entitled: "Application for Local  
2-49 Option Election Petition to Enable the Temple Health and Bioscience  
2-50 Economic Development District to Impose an Ad Valorem Tax not to  
2-51 Exceed 15 cents per \$100 Valuation of all Taxable Property in the  
2-52 District." The application must contain a statement just before  
2-53 the signatures of the applicants that reads substantially as  
2-54 follows: "The petitioners whose signatures appear on this petition  
2-55 intend that the Temple Health and Bioscience Economic Development  
2-56 District be enabled to impose an ad valorem tax not to exceed 15  
2-57 cents per \$100 valuation of all taxable property in the district."  
2-58 If the petition also seeks an election to authorize the issuance of  
2-59 bonds by the district payable in whole or in part from ad valorem  
2-60 taxes, the statement: "and to Issue Bonds Payable in Whole or in  
2-61 Part from the Ad Valorem Tax" must be appended to the title  
2-62 specified by this subsection.

2-63 (d) Each petition must show the date it is issued by the City  
2-64 of Temple and be serially numbered. Each page of a petition must  
2-65 bear the same date and serial number.

2-66 SECTION 3.003. COPIES OF PETITION. (a) The City of Temple  
2-67 shall supply as many copies of the petition as required by the  
2-68 applicants but not to exceed more than one page of the petition for  
2-69 every 10 registered voters in the city. Each copy shall bear the

3-1 date, number, and seal on each page as required on the original  
3-2 petition.

3-3 (b) The City of Temple shall keep a copy of each petition and  
3-4 a record of the applicants for that petition.

3-5 SECTION 3.004. FILING AND VERIFICATION OF PETITION.

3-6 (a) Not later than the 120th day after the date on which a petition  
3-7 is issued by the City of Temple under Section 3.002, the applicants  
3-8 requesting the petition may file a request with the City of Temple  
3-9 for the petition to be verified under Subsection (b).

3-10 (b) If a request for verification is made under  
3-11 Subsection (a), the City of Temple shall examine the names of the  
3-12 signers of petitions and determine whether the signers of the  
3-13 petition were qualified voters of the city at the time the petition  
3-14 was issued. The City of Temple shall certify to the city council  
3-15 the number of qualified voters signing the petition not later than  
3-16 the 15th day after the date the request for verification was filed.

3-17 (c) A signature may not be counted under this section if  
3-18 there is good reason to believe that:

3-19 (1) the signature is not the actual signature of the  
3-20 purported signer;

3-21 (2) the voter registration certificate number is not  
3-22 correct;

3-23 (3) the signature duplicates a name or the handwriting  
3-24 used in any other signature on the petition; or

3-25 (4) the signer's residence address cannot be verified.

3-26 SECTION 3.005. REQUIREMENTS TO ORDER ELECTION. (a) Not  
3-27 later than the date of the second regular session of the city  
3-28 council convened after a petition has been verified under Section  
3-29 3.004, the city council shall order a local option election to be  
3-30 held on the issue set out in the petition if the petition contains  
3-31 the following:

3-32 (1) the actual signatures of a number of qualified  
3-33 voters of the City of Temple equal to at least 10 percent of the  
3-34 registered voters of the city who voted in the most recent general  
3-35 election in the city;

3-36 (2) a notation showing the residence address of each  
3-37 signer;

3-38 (3) each signer's voter registration certificate  
3-39 number; and

3-40 (4) each signer's printed name.

3-41 (b) The following shall be entered in the city council  
3-42 minutes:

3-43 (1) the dates a petition is presented to and verified  
3-44 by the City of Temple;

3-45 (2) the names of the signers; and

3-46 (3) the action taken on the petition.

3-47 SECTION 3.006. NOTICE AND CONDUCT OF ELECTION; RESULTS.

3-48 (a) If the requirements to order an election under Section 3.005  
3-49 are met, the city council shall give notice of the election on the  
3-50 issue set out in the verified petition by publishing a substantial  
3-51 copy of the election order once a week for two consecutive weeks in  
3-52 a newspaper with general circulation in the City of Temple. The  
3-53 first publication must appear before the 14th day before the date  
3-54 set for the election. If the election order includes the issue of  
3-55 whether the district may issue bonds, the first publication must  
3-56 appear before the 31st day before the date set for the election.

3-57 (b) The order calling the election must:

3-58 (1) define the district boundaries to be the  
3-59 boundaries of the City of Temple as the boundaries of the city are  
3-60 adjusted from time to time by the city; and

3-61 (2) call for the election to be held within those  
3-62 boundaries.

3-63 (c) The ballot at an election held under this section must  
3-64 be printed to permit voting for or against the proposition set forth  
3-65 below that was covered by the verified petition:

3-66 (1) "Authorizing the creation of the Temple Health and  
3-67 Bioscience Economic Development District and the imposition of an  
3-68 ad valorem tax not to exceed the rate of 15 cents per \$100 valuation  
3-69 of all taxable property in the district.;

4-1 (2) "Authorizing the creation of the Temple Health and  
4-2 Bioscience Economic Development District and the imposition of an  
4-3 ad valorem tax not to exceed the rate of 15 cents per \$100 valuation  
4-4 of all taxable property in the district and to issue bonds payable  
4-5 in whole or in part from the ad valorem tax.;

4-6 (3) "Authorizing the creation of the Temple Health and  
4-7 Bioscience Economic Development District.;

4-8 (4) "Authorizing the imposition of an ad valorem tax  
4-9 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
4-10 property in the district.; or

4-11 (5) "Authorizing the imposition of an ad valorem tax  
4-12 not to exceed the rate of 15 cents per \$100 valuation of all taxable  
4-13 property in the district and to issue bonds payable in whole or in  
4-14 part from the ad valorem tax."

4-15 (d) The district is created if a majority of the registered  
4-16 voters of the proposed district voting at the election favor  
4-17 creation. The district may impose an ad valorem tax not to exceed  
4-18 the rate of 15 cents per \$100 valuation of all taxable property in  
4-19 the district if a majority of the registered voters of the district  
4-20 voting at the election favor its imposition. The district may issue  
4-21 bonds payable wholly or partially from ad valorem taxes if a  
4-22 majority of the registered voters of the district voting at the  
4-23 election favor the authorization.

4-24 (e) If a majority of the registered voters of the proposed  
4-25 district voting at the election to create the district vote against  
4-26 creating the district, another election on the question of creating  
4-27 the district may not be held before the first anniversary of the  
4-28 date of the most recent election concerning the creation. If a  
4-29 majority of the registered voters of the district voting at the  
4-30 election to establish the power of the district to impose an ad  
4-31 valorem tax vote against the power, another election on the  
4-32 question may not be held before the first anniversary of the date of  
4-33 the most recent election concerning the question. If a majority of  
4-34 the registered voters of the district voting at the election to  
4-35 authorize the district to issue bonds payable wholly or partially  
4-36 from ad valorem taxes vote against the authorization, another  
4-37 election on the question may not be held before the first  
4-38 anniversary of the date of the most recent election concerning the  
4-39 question.

4-40 (f) The City of Temple shall hold an election provided under  
4-41 this section on the earliest of the uniform election dates under  
4-42 Section 41.001, Election Code, to occur following the adoption of  
4-43 the order calling the election by the city council.

4-44 SECTION 3.007. TEMPORARY BOARD. (a) After creation of the  
4-45 district under Section 3.006(d), the city council by resolution  
4-46 shall appoint seven directors to serve on a temporary board.

4-47 (b) In the resolution, the city council shall stagger the  
4-48 terms of the directors appropriately so that four directors serve  
4-49 until directors are elected under Section 4.003(1) and three  
4-50 directors serve until directors are elected under Section 4.003(2).

4-51 ARTICLE 4. BOARD OF DIRECTORS

4-52 SECTION 4.001. GOVERNING BODY. The district is governed by  
4-53 a board of seven directors elected as provided by this Act.

4-54 SECTION 4.002. TERMS. Except as provided by Section 3.007,  
4-55 directors serve staggered three-year terms.

4-56 SECTION 4.003. DATE OF ELECTIONS. The district shall hold  
4-57 board elections as follows:

4-58 (1) four directors must be elected on the regular  
4-59 election day on which certain members of the city council and the  
4-60 mayor of the City of Temple are elected; and

4-61 (2) three directors must be elected on the regular  
4-62 election day on which the other members of the city council of the  
4-63 City of Temple are elected.

4-64 SECTION 4.004. QUALIFICATIONS. A director:

4-65 (1) must be a registered voter of the City of Temple;  
4-66 and

4-67 (2) may not be:

4-68 (A) an elected official; or

4-69 (B) employed by the district or the City of

5-1 Temple.

5-2 SECTION 4.005. BOARD VACANCY. A vacancy in the office of  
5-3 director shall be filled by the remaining directors for the  
5-4 unexpired term.

5-5 SECTION 4.006. DIRECTOR'S BOND; OATH. (a) As soon as  
5-6 practicable after a director is elected or appointed, the director  
5-7 shall execute a bond for \$10,000 payable to the district and  
5-8 conditioned on the faithful performance of the director's duties.

5-9 (b) The bond must be approved by the board.

5-10 (c) Each director shall take the oath of office prescribed  
5-11 by the constitution for public office.

5-12 (d) The bond and oath shall be filed with the district and  
5-13 the district shall retain the bond and oath in its records.

5-14 SECTION 4.007. BOARD OFFICERS. (a) The board shall elect  
5-15 from the board a presiding officer, a secretary, and any other  
5-16 officers the board considers necessary.

5-17 (b) The board by resolution shall establish the powers and  
5-18 duties of the officers, consistent with this Act.

5-19 SECTION 4.008. COMPENSATION; EXPENSES. A director serves  
5-20 without compensation but is entitled to reimbursement for actual  
5-21 and necessary expenses approved by the board.

5-22 SECTION 4.009. MEETINGS AND NOTICE. (a) The board may  
5-23 establish regular meetings to conduct district business and may  
5-24 hold special meetings at other times as necessary.

5-25 (b) The board shall provide the notice prepared under  
5-26 Subchapter C, Chapter 551, Government Code, to the City of Temple's  
5-27 secretary. In addition to the requirements imposed by that  
5-28 subchapter on the district, the city shall post the notice at the  
5-29 usual location at which notices of city council meetings are  
5-30 posted.

5-31 SECTION 4.010. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The  
5-32 board shall employ any person the board considers necessary to  
5-33 conduct district affairs, including:

- 5-34 (1) engineers;
- 5-35 (2) attorneys;
- 5-36 (3) financial advisors;
- 5-37 (4) economists;
- 5-38 (5) a general manager;
- 5-39 (6) a utility operator;
- 5-40 (7) bookkeepers;
- 5-41 (8) auditors; and
- 5-42 (9) clerical workers.

5-43 (b) The board by resolution shall determine the  
5-44 compensation and terms of service of any person employed or hired by  
5-45 the district.

5-46 (c) The board may remove any employee.

5-47 (d) The board may require an employee to execute a bond  
5-48 payable to the district and conditioned on the faithful performance  
5-49 of the person's duties.

#### 5-50 ARTICLE 5. POWERS AND DUTIES

5-51 SECTION 5.001. GENERAL POWERS OF DISTRICT. The district  
5-52 has all powers necessary or convenient to carry out and effect the  
5-53 purposes and provisions of this Act.

5-54 SECTION 5.002. RULES. The board may adopt rules to govern  
5-55 the district, including its operations, employees, and property.

5-56 SECTION 5.003. DISTRICT OFFICE. The board shall designate  
5-57 and establish a district office in the City of Temple.

5-58 SECTION 5.004. PROPERTY. The district may exercise any  
5-59 type of property right, including the power to acquire, sell, or  
5-60 lease as lessee or lessor, regarding any type of property interest  
5-61 in the district or for use in the district under terms and  
5-62 conditions determined by the board.

5-63 SECTION 5.005. AGREEMENTS; GRANTS. The district may make  
5-64 an agreement with or accept a gift, grant, or loan from any person  
5-65 for any district purpose, including a contract to manage or  
5-66 maintain a district project.

5-67 SECTION 5.006. COMPETITIVE BIDDING. (a) Except as  
5-68 provided by Subsection (b), Section 375.221, Local Government Code,  
5-69 applies to the district.

6-1 (b) Section 375.221, Local Government Code, does not apply  
6-2 to a contract between the district and:

- 6-3 (1) another governmental entity;
- 6-4 (2) a nonprofit corporation, including a scientific  
6-5 research corporation; or
- 6-6 (3) a corporation created under the Development  
6-7 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
6-8 Statutes).

6-9 SECTION 5.007. RELATION TO OTHER LAW ON CONTRACTS. This Act  
6-10 states the procedures necessary to award contracts and supersedes  
6-11 any law or other requirement otherwise applicable to the district  
6-12 regarding the award of contracts.

6-13 SECTION 5.008. FEES FOR USE OF DISTRICT IMPROVEMENTS. The  
6-14 district may establish and maintain reasonable and  
6-15 nondiscriminatory rates, fares, charges, rents, or other fees or  
6-16 compensation for the use of the improvements constructed, operated,  
6-17 or maintained by the district.

6-18 SECTION 5.009. PROGRAMS. (a) The district may establish  
6-19 and provide for the administration of one or more programs to:

- 6-20 (1) promote state or local economic development; and
- 6-21 (2) stimulate business and commercial activity in the  
6-22 district that relates to a project.

6-23 (b) As part of a program established under Subsection (a),  
6-24 the district may:

- 6-25 (1) make loans or grants of public money for a public  
6-26 purpose as provided by Section 52-a, Article III, Texas  
6-27 Constitution; or
- 6-28 (2) provide district personnel and services for the  
6-29 program.

6-30 (c) The district may contract with any person to administer  
6-31 a program under this section.

6-32 SECTION 5.010. PROJECTS. (a) The district may establish  
6-33 projects for:

6-34 (1) bioscience and health products, including  
6-35 projects related to:

- 6-36 (A) research and development;
- 6-37 (B) invention and discovery;
- 6-38 (C) commercialization;
- 6-39 (D) production and manufacturing of goods and  
6-40 products, including facilities for manufacturing; and

6-41 (E) development of production process and  
6-42 delivery system purposes in, involved in, based on, or related to,  
6-43 or intended to advance the state of knowledge, skill, and  
6-44 understanding of, the biosciences, including:

- 6-45 (i) wet laboratories;
- 6-46 (ii) clean rooms;
- 6-47 (iii) dry laboratories;
- 6-48 (iv) research and development facilities;
- 6-49 (v) genetics facilities and equipment;
- 6-50 (vi) pharmaceutical facilities and  
6-51 equipment;
- 6-52 (vii) biotechnology incubators;
- 6-53 (viii) bioscience and biotech health care  
6-54 facilities;
- 6-55 (ix) biotech facilities;
- 6-56 (x) bioscience facilities; and
- 6-57 (xi) other similar projects;

6-58 (2) bioscience education, including health or biotech  
6-59 education facilities regardless of any affiliation with other  
6-60 institutions of higher, vocational, or job training education;

- 6-61 (3) access to public safety facilities and equipment;
- 6-62 (4) streets and roads;
- 6-63 (5) drainage services;
- 6-64 (6) wastewater services;
- 6-65 (7) potable water services;
- 6-66 (8) telecommunication facilities;
- 6-67 (9) demolition of existing structures;
- 6-68 (10) development and institution of water  
6-69 conservation programs;

- 7-1 (11) chilled water services;
- 7-2 (12) steam services;
- 7-3 (13) industrial gases services;
- 7-4 (14) other utility and process and production
- 7-5 services; or
- 7-6 (15) the support of any other type of health or
- 7-7 bioscience projects.

7-8 (b) A project established under Subsection (a) must be  
 7-9 related to the bioscience or health purposes of the district.

7-10 SECTION 5.011. SUITS. (a) The district may sue and be  
 7-11 sued.

7-12 (b) Service of process in a suit may be made by serving any  
 7-13 two directors.

7-14 (c) The district may not be required to give security for  
 7-15 costs and may appeal from a judgment without giving a supersedeas or  
 7-16 cost bond.

7-17 SECTION 5.012. SEAL. The district may adopt a seal.

7-18 SECTION 5.013. NONPROFIT CORPORATION. (a) The board by  
 7-19 resolution may authorize the creation of a nonprofit corporation  
 7-20 under the Texas Non-Profit Corporation Act (Article 1396-1.01 et  
 7-21 seq., Vernon's Texas Civil Statutes), including creation of a  
 7-22 scientific corporation. The nonprofit corporation shall assist and  
 7-23 act on behalf of the district in implementing a project or providing  
 7-24 a service authorized by this Act.

7-25 (b) The board shall appoint the board of directors of a  
 7-26 nonprofit corporation. The board may appoint a director of the  
 7-27 district's board to serve as a director of the nonprofit  
 7-28 corporation. The board of directors of the nonprofit corporation  
 7-29 shall serve in the same manner as the board of directors of a local  
 7-30 government corporation created under Chapter 431, Transportation  
 7-31 Code.

7-32 (c) The nonprofit corporation:

7-33 (1) has the powers of and is considered for purposes of  
 7-34 this Act to be a local government corporation created under Chapter  
 7-35 431, Transportation Code; and

7-36 (2) may implement any project and provide any service  
 7-37 authorized by this Act.

7-38 ARTICLE 6. GENERAL FINANCIAL PROVISIONS

7-39 SECTION 6.001. USE OF DISTRICT MONEY. The district may use  
 7-40 district money for any district purpose, including to pay:

7-41 (1) for projects; and

7-42 (2) district bonds or other obligations.

7-43 SECTION 6.002. INVESTMENTS. (a) The district may invest  
 7-44 money it receives under this Act.

7-45 (b) The district may hire a person to invest district money  
 7-46 on terms the board considers advisable.

7-47 SECTION 6.003. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
 7-48 board by resolution shall establish the number of directors'  
 7-49 signatures and the procedure required for a disbursement or  
 7-50 transfer of district money.

7-51 SECTION 6.004. DEPOSITORY INSTITUTION. The district may  
 7-52 designate financial institutions to serve as the depository bank or  
 7-53 banks for the district.

7-54 SECTION 6.005. ACCOUNTS; FISCAL YEAR. (a) The district  
 7-55 may establish an accounting system for the district for each year.

7-56 (b) The district may establish a fiscal year for the  
 7-57 district.

7-58 SECTION 6.006. PROJECT FUND. (a) The district by  
 7-59 resolution shall establish a project fund.

7-60 (b) The district may establish separate accounts within the  
 7-61 project fund.

7-62 (c) The district shall deposit into the project fund all  
 7-63 district money, including:

7-64 (1) the proceeds from any ad valorem tax imposed by the  
 7-65 district;

7-66 (2) all revenue from the sale of district bonds or  
 7-67 other obligations; and

7-68 (3) any other money acquired or received by the  
 7-69 district.

8-1 SECTION 6.007. AUDIT. (a) The district shall contract  
8-2 with an independent certified public accountant or a certified  
8-3 public accounting firm to audit the district's affairs annually,  
8-4 including the district's financial records. The contract must be a  
8-5 written contract.

8-6 (b) The district shall make the audit available for  
8-7 inspection by the public and the City of Temple.

8-8 SECTION 6.008. ASSESSMENTS. The district may impose an  
8-9 assessment on property in the district, including a leasehold  
8-10 interest, by agreement with the property owner.

8-11 SECTION 6.009. LIABILITIES. The district may incur  
8-12 liabilities, including those incurred by:

8-13 (1) borrowing money on terms and conditions the board  
8-14 determines; and

8-15 (2) issuing bonds or other obligations under Section  
8-16 6.010.

8-17 SECTION 6.010. BONDS AND OTHER OBLIGATIONS. (a) The  
8-18 district may issue bonds, including revenue bonds, or other  
8-19 obligations to pay the costs of a project in the district.

8-20 (b) In exercising the district's borrowing power, the  
8-21 district may issue a bond or other obligation in the form of a bond,  
8-22 note, certificate of participation or other instrument evidencing a  
8-23 proportionate interest in payments to be made by the district, or  
8-24 other type of obligation.

#### 8-25 ARTICLE 7. AD VALOREM TAX

8-26 SECTION 7.001. IMPOSITION OF AD VALOREM TAX. If authorized  
8-27 at an election held under Section 3.006, the district:

8-28 (1) may by order impose an annual ad valorem tax on  
8-29 taxable property in the district to pay for projects; and

8-30 (2) shall by order impose an ad valorem tax to pay for  
8-31 bonds that are payable wholly or partly from ad valorem taxes.

8-32 SECTION 7.002. TAX RATE. (a) The board shall determine  
8-33 the tax rate.

8-34 (b) The tax rate may not exceed 15 cents per each \$100 of  
8-35 assessed valuation of taxable property in the district.

8-36 SECTION 7.003. TAX ASSESSOR-COLLECTOR. The board may:

8-37 (1) appoint a district tax assessor-collector; or  
8-38 (2) contract for the assessment and collection of  
8-39 taxes as provided by the Tax Code.

#### 8-40 ARTICLE 8. DISSOLUTION OF DISTRICT

8-41 SECTION 8.001. DISSOLUTION OF DISTRICT. The district may  
8-42 be dissolved only as provided by this article.

8-43 SECTION 8.002. DISSOLUTION BY ORDER OF CITY COUNCIL.

8-44 (a) The board may petition the city council to dissolve the  
8-45 district if the board finds that the district:

8-46 (1) has not issued bonds or other obligations under  
8-47 Section 6.010 and that the purposes of the district are  
8-48 impracticable, or reasonably and economically cannot be successful  
8-49 or accomplished; or

8-50 (2) has paid, or otherwise provided for payment of,  
8-51 all bonds and other obligations issued under Section 6.010 and that  
8-52 the purposes of the district have been accomplished.

8-53 (b) On receipt of a petition under Subsection (a), the city  
8-54 council shall hold a public hearing to determine whether the  
8-55 dissolution of the district serves the best interests of the City of  
8-56 Temple and the residents of the city.

8-57 (c) After the hearing, the city council shall:

8-58 (1) enter in its records the appropriate findings and  
8-59 order dissolving of the district if the city council unanimously  
8-60 determines that the best interests of the City of Temple and the  
8-61 residents of the city will be served by dissolving the district; or

8-62 (2) enter its order providing that the district has  
8-63 not been dissolved if the city council does not unanimously  
8-64 determine that the best interests of the City of Temple and the  
8-65 residents of the city will be served by dissolving the district.

8-66 (d) On dissolution of the district under this section:

8-67 (1) all money and other property of the district is  
8-68 transferred to the City of Temple; and

8-69 (2) the City of Temple shall assume any remaining



9-1 contracts or other obligations of the district.

9-2 SECTION 8.003. DISSOLUTION OF DISTRICT ON AGREEMENT WITH  
9-3 CITY. (a) The district may be dissolved by agreement between the  
9-4 city council and the board.

9-5 (b) On dissolution of the district under this section:

9-6 (1) all money and other property of the district is  
9-7 transferred to the City of Temple; and

9-8 (2) the City of Temple shall assume the district's  
9-9 responsibilities regarding all district contracts, debts, bonds,  
9-10 and other obligations.

9-11 SECTION 8.004. EFFECT OF DISSOLUTION ON TAXES. On  
9-12 dissolution of the district, any taxes imposed by the district are  
9-13 abolished.

9-14 ARTICLE 9. EFFECTIVE DATE

9-15 SECTION 9.001. EFFECTIVE DATE. This Act takes effect  
9-16 immediately if it receives a vote of two-thirds of all the members  
9-17 elected to each house, as provided by Section 39, Article III, Texas  
9-18 Constitution. If this Act does not receive the vote necessary for  
9-19 immediate effect, this Act takes effect September 1, 2003.

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