

AN ACT

relating to the administration of county government and the exercise of powers at the county level.

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

SECTION 1. Article 14.06(a), Code of Criminal Procedure, is amended to read as follows:

(a) Except as provided by Subsection (b), in each case enumerated in this Code, the person making the arrest or the person having custody of the person arrested shall take the person arrested or have him taken without unnecessary delay, but not later than 48 hours after the person is arrested, before the magistrate who may have ordered the arrest, before some magistrate of the county where the arrest was made without an order, or, ~~[if necessary]~~ to provide more expeditiously to the person arrested the warnings described by Article 15.17 of this Code, before a magistrate in any other [a] county of this state ~~[bordering the county in which the arrest was made]~~. The magistrate shall immediately perform the duties described in Article 15.17 of this Code.

SECTION 2. Article 15.16, Code of Criminal Procedure, is amended to read as follows:

Art. 15.16. HOW WARRANT IS EXECUTED. (a) The officer or person executing a warrant of arrest shall without unnecessary delay take the person or have him taken before the magistrate who

1 issued the warrant or before the magistrate named in the warrant, if
2 the magistrate is in the same county where the person is arrested.
3 If the issuing or named magistrate is in another county, the person
4 arrested shall without unnecessary delay be taken before some
5 magistrate in the county in which he was arrested.

6 (b) Notwithstanding Subsection (a), to provide more
7 expeditiously to the person arrested the warnings described by
8 Article 15.17, the officer or person executing the arrest warrant
9 may as permitted by that article take the person arrested before a
10 magistrate in a county other than the county of arrest.

11 SECTION 3. Article 15.17(a), Code of Criminal Procedure, is
12 amended to read as follows:

13 (a) In each case enumerated in this Code, the person making
14 the arrest or the person having custody of the person arrested shall
15 without unnecessary delay, but not later than 48 hours after the
16 person is arrested, take the person arrested or have him taken
17 before some magistrate of the county where the accused was arrested
18 or, ~~[if necessary]~~ to provide more expeditiously to the person
19 arrested the warnings described by this article, before a
20 magistrate in any other [a] county of this state ~~[bordering the~~
21 ~~county in which the arrest was made]~~. The arrested person may be
22 taken before the magistrate in person or the image of the arrested
23 person may be presented ~~[broadcast by closed circuit television]~~ to
24 the magistrate by means of an electronic broadcast system. The
25 magistrate shall inform in clear language the person arrested,
26 either in person or through the electronic broadcast system ~~[by~~
27 ~~closed circuit television]~~, of the accusation against him and of

1 any affidavit filed therewith, of his right to retain counsel, of
2 his right to remain silent, of his right to have an attorney present
3 during any interview with peace officers or attorneys representing
4 the state, of his right to terminate the interview at any time, and
5 of his right to have an examining trial. The magistrate shall also
6 inform the person arrested of the person's right to request the
7 appointment of counsel if the person cannot afford counsel. The
8 magistrate shall inform the person arrested of the procedures for
9 requesting appointment of counsel. If the person does not speak and
10 understand the English language or is deaf, the magistrate shall
11 inform the person in a manner consistent with Articles 38.30 and
12 38.31, as appropriate. The magistrate shall ensure that reasonable
13 assistance in completing the necessary forms for requesting
14 appointment of counsel is provided to the person at the same time.
15 If the person arrested is indigent and requests appointment of
16 counsel and if the magistrate is authorized under Article 26.04 to
17 appoint counsel for indigent defendants in the county, the
18 magistrate shall appoint counsel in accordance with Article 1.051.
19 If the magistrate is not authorized to appoint counsel, the
20 magistrate shall without unnecessary delay, but not later than 24
21 hours after the person arrested requests appointment of counsel,
22 transmit, or cause to be transmitted to the court or to the courts'
23 designee authorized under Article 26.04 to appoint counsel in the
24 county, the forms requesting the appointment of counsel. The
25 magistrate shall also inform the person arrested that he is not
26 required to make a statement and that any statement made by him may
27 be used against him. The magistrate shall allow the person arrested

1 reasonable time and opportunity to consult counsel and shall, after
2 determining whether the person is currently on bail for a separate
3 criminal offense, admit the person arrested to bail if allowed by
4 law. [~~A closed circuit television system may not be used under this
5 subsection unless the system provides for a two-way communication
6 of image and sound between the arrested person and the magistrate.~~]

7 A recording of the communication between the arrested person and
8 the magistrate shall be made. The recording shall be preserved
9 until the earlier of the following dates: (1) the date on which the
10 pretrial hearing ends; or (2) the 91st day after the date on which
11 the recording is made if the person is charged with a misdemeanor or
12 the 120th day after the date on which the recording is made if the
13 person is charged with a felony. The counsel for the defendant may
14 obtain a copy of the recording on payment of a reasonable amount to
15 cover costs of reproduction. For purposes of this subsection,
16 "electronic broadcast system" means a two-way electronic
17 communication of image and sound between the arrested person and
18 the magistrate and includes secure Internet videoconferencing.

19 SECTION 4. Article 15.18, Code of Criminal Procedure, is
20 amended to read as follows:

21 Art. 15.18. ARREST FOR OUT-OF-COUNTY OFFENSE. (a) A person
22 arrested under a warrant issued in a county other than the one in
23 which the person is arrested shall be taken before a magistrate of
24 the county where the arrest takes place or, to provide more
25 expeditiously to the arrested person the warnings described by
26 Article 15.17, before a magistrate in any other county of this
27 state, including the county where the warrant was issued. The

1 magistrate [~~who~~] shall:

2 (1) take bail, if allowed by law, and, if without
3 jurisdiction, immediately transmit the bond taken to the court
4 having jurisdiction of the offense; or

5 (2) in the case of a person arrested under warrant for
6 an offense punishable by fine only, accept a written plea of guilty
7 or nolo contendere, set a fine, determine costs, accept payment of
8 the fine and costs, give credit for time served, determine
9 indigency, or, on satisfaction of the judgment, discharge the
10 defendant, as the case may indicate.

11 (b) Before the 11th business day after the date a magistrate
12 accepts a written plea of guilty or nolo contendere in a case under
13 Subsection (a)(2), the magistrate shall, if without jurisdiction,
14 transmit to the court having jurisdiction of the offense:

15 (1) the written plea;

16 (2) any orders entered in the case; and

17 (3) any fine or costs collected in the case.

18 (c) The arrested person may be taken before a magistrate by
19 means of an electronic broadcast system as provided by and subject
20 to the requirements of Article 15.17.

21 SECTION 5. Article 15.19(b), Code of Criminal Procedure, is
22 amended to read as follows:

23 (b) If a person is arrested and taken before a magistrate in
24 a county other than [~~bordering~~] the county in which the arrest is
25 made [~~under the provisions of Article 15.17(a) of this code~~] and if
26 the person is remanded to custody, the person may be confined in a
27 jail in the county in which the magistrate serves for a period of

1 not more than 72 hours after the arrest before being transferred to
2 the county jail of the county in which the arrest occurred.

3 SECTION 6. Article 27.18, Code of Criminal Procedure, is
4 amended by adding Subsections (d), (e), (f), and (g) to read as
5 follows:

6 (d) A defendant who is confined in a county other than the
7 county in which charges against the defendant are pending may use
8 the teleconferencing method provided by this article or the
9 electronic broadcast system authorized in Article 15.17 to enter a
10 plea or waive a right in the court with jurisdiction over the case.

11 (e) A defendant who enters a plea or waiver under Subsection
12 (d):

13 (1) consents to venue in the county in which the court
14 receiving the plea or waiver is located; and

15 (2) waives any claim of error related to venue.

16 (f) Subsection (e) does not prohibit a court from granting a
17 defendant's motion for a change of venue during the trial of the
18 defendant.

19 (g) If a defendant enters a plea of guilty or nolo
20 contendere under Subsection (d), the attorney representing the
21 state may request at the time the plea is entered that the defendant
22 submit a fingerprint of the defendant suitable for attachment to
23 the judgment. On request for a fingerprint under this subsection,
24 the county in which the defendant is confined shall obtain a
25 fingerprint of the defendant and use first-class mail or other
26 means acceptable to the attorney representing the state and the
27 county to forward the fingerprint to the court accepting the plea.

1 SECTION 7. Section 403.1042(b), Government Code, is amended
2 to read as follows:

3 (b) The advisory committee is composed of 11 members
4 appointed as follows:

5 (1) one member appointed by the comptroller to
6 represent a public hospital or hospital district located in a
7 county with a population of 50,000 or less or a public hospital
8 owned or maintained by a municipality;

9 (2) one member appointed by the political subdivision
10 that, in the year preceding the appointment, received the largest
11 annual distribution paid from the account;

12 (3) one member appointed by the political subdivision
13 that, in the year preceding the appointment, received the second
14 largest annual distribution paid from the account;

15 (4) four members appointed by the Texas Conference of
16 Urban Counties from nominations received from political
17 subdivisions that, ~~at~~

18 [~~(A)~~] in the year preceding the appointment,
19 received the 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, or 12th
20 largest annual distribution paid from the account ~~[, and~~

21 [~~(B) do not have an appointee serving on the~~
22 ~~advisory committee at the time of appointment]~~;

23 (5) one member appointed by the County Judges and
24 Commissioners Association of Texas;

25 (6) one member appointed by the North and East Texas
26 County Judges and Commissioners Association;

27 (7) one member appointed by the South Texas County

1 Judges and Commissioners Association; and

2 (8) one member appointed by the West Texas County
3 Judges and Commissioners Association.

4 SECTION 8. Section 511.009(c), Government Code, is amended
5 to read as follows:

6 (c) At any time and on the application of the county
7 commissioners court or sheriff, the commission may grant reasonable
8 variances, including variances that are to last for the life of a
9 facility, clearly justified by the facts, for operation of a
10 facility not in strict compliance with state law. A variance may
11 not permit unhealthy, unsanitary, or unsafe conditions.

12 SECTION 9. Section 12.137, Health and Safety Code, is
13 amended by amending Subsections (b) and (c) and adding Subsection
14 (b-1) to read as follows:

15 (b) The advisory committee is composed of 11 members
16 appointed [~~by the advisory committee~~] as follows:

17 (1) one member appointed [~~nominated~~] by the board to
18 represent a public hospital or hospital district located in a
19 county with a population of 50,000 or less or a public hospital
20 owned or maintained by a municipality;

21 (2) one member appointed [~~nominated~~] by the political
22 subdivision that, in the year preceding the appointment, received
23 the largest annual distribution paid from the account;

24 (3) one member appointed [~~nominated~~] by the political
25 subdivision that, in the year preceding the appointment, received
26 the second largest annual distribution paid from the account;

27 (4) four members appointed [~~nominated~~] by the Texas

1 Conference of Urban Counties from nominations received from
2 political subdivisions that~~+~~

3 ~~[(A)]~~ in the year preceding the appointment,
4 received the 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, or 12th
5 largest annual distribution paid from the account; ~~and~~

6 ~~[(B) do not have a nominee serving on the~~
7 ~~advisory committee at the time of appointment;]~~

8 (5) one member appointed ~~[nominated]~~ by the County
9 Judges and Commissioners Association of Texas;

10 (6) one member appointed ~~[nominated]~~ by the North and
11 East Texas County Judges and Commissioners Association;

12 (7) one member appointed ~~[nominated]~~ by the South
13 Texas County Judges and Commissioners Association; and

14 (8) one member appointed ~~[nominated]~~ by the West Texas
15 County Judges and Commissioners Association.

16 (b-1) An appointing entity under Subsection (b) is not a
17 state association of counties.

18 (c) A commissioners court that sets the tax rate for a
19 hospital district must approve any person appointed ~~[nominated]~~ by
20 the hospital district to serve on the advisory committee.

21 SECTION 10. Subchapter C, Chapter 281, Health and Safety
22 Code, is amended by adding Section 281.0475 to read as follows:

23 Sec. 281.0475. RENAMING DISTRICT. (a) This section
24 applies only to a district created in a county with a population of
25 more than 800,000 that was not included in the boundaries of a
26 hospital district before September 1, 2003.

27 (b) With the approval of the commissioners court, the board

1 may rename the district.

2 SECTION 11. Section 281.056, Health and Safety Code, is
3 amended by amending Subsections (b), (c), and (d) and adding
4 Subsection (b-1) to read as follows:

5 (b) Except as provided by Subsection (b-1), a district may
6 employ or contract with private legal counsel to represent the
7 district on any legal matter. If the district does not employ or
8 contract with private legal counsel on a legal matter, the [The]
9 county attorney, district attorney, or criminal district attorney,
10 as appropriate, with the duty to represent the county in civil
11 matters shall represent the district [~~in all legal matters~~].

12 (b-1) The county attorney, district attorney, or criminal
13 district attorney, as appropriate, with the duty to represent the
14 county in civil matters shall, in all legal matters, represent a
15 district located in:

16 (1) a county with a population of 650,000 or more that
17 borders the United Mexican States;

18 (2) a county with a population of 3.4 million or more;
19 or

20 (3) a county with a population of more than 800,000
21 that was not included in the boundaries of a hospital district
22 before September 1, 2003.

23 (c) A [The] board that receives legal services from a county
24 attorney, district attorney, or criminal district attorney may
25 employ additional private legal counsel when the board determines
26 that additional counsel is advisable. A board that contracts or
27 employs private legal counsel under Subsection (b) may request and

1 receive additional legal services from the county attorney,
2 district attorney, or criminal district attorney, as appropriate,
3 with the duty to represent the county in civil matters when the
4 board determines that additional counsel is necessary.

5 (d) If the district receives legal services from a county
6 attorney, district attorney, or criminal district attorney, the
7 ~~The~~ district shall contribute sufficient funds to the general
8 fund of the county for the account of the budget of the county
9 attorney, district attorney, or criminal district attorney, as
10 appropriate, to pay all additional salaries and expenses incurred
11 by that officer in performing the duties required by the district.

12 SECTION 12. Section 343.011(c), Health and Safety Code, is
13 amended to read as follows:

14 (c) A public nuisance is:

15 (1) keeping, storing, or accumulating refuse on
16 premises in a neighborhood unless the refuse is entirely contained
17 in a closed receptacle;

18 (2) keeping, storing, or accumulating rubbish,
19 including newspapers, abandoned vehicles, refrigerators, stoves,
20 furniture, tires, and cans, on premises in a neighborhood or within
21 300 feet of a public street for 10 days or more, unless the rubbish
22 or object is completely enclosed in a building or is not visible
23 from a public street;

24 (3) maintaining premises in a manner that creates an
25 unsanitary condition likely to attract or harbor mosquitoes,
26 rodents, vermin, or disease-carrying pests;

27 (4) allowing weeds to grow on premises in a

1 neighborhood if the weeds are located within 300 feet of another
2 residence or commercial establishment;

3 (5) maintaining a building in a manner that is
4 structurally unsafe or constitutes a hazard to safety, health, or
5 public welfare because of inadequate maintenance, unsanitary
6 conditions, dilapidation, obsolescence, disaster, damage, or
7 abandonment or because it constitutes a fire hazard;

8 (6) maintaining on abandoned and unoccupied property
9 in a neighborhood, or maintaining on any property in a neighborhood
10 in a county with a population of more than 1.1 million, a swimming
11 pool that is not protected with:

12 (A) a fence that is at least four feet high and
13 that has a latched gate that cannot be opened by a child; or

14 (B) a cover over the entire swimming pool that
15 cannot be removed by a child;

16 (7) maintaining a flea market in a manner that
17 constitutes a fire hazard;

18 (8) discarding refuse or creating a hazardous visual
19 obstruction on:

20 (A) county-owned land; or

21 (B) land or easements owned or held by a special
22 district that has the commissioners court of the county as its
23 governing body; or

24 (9) discarding refuse on the smaller of:

25 (A) the area that spans 20 feet on each side of a
26 utility line; or

27 (B) the actual span of the utility easement.

1 SECTION 13. Section 81.028, Local Government Code, is
2 amended by adding Subsection (b-1) to read as follows:

3 (b-1) A county judge may file a standing order of emergency
4 delegation of authority that clearly indicates the types of orders
5 or official documents that the officer or employee may sign on
6 behalf of the county judge in the event of an emergency or disaster.

7 SECTION 14. Section 83.002, Local Government Code, is
8 amended to read as follows:

9 Sec. 83.002. BOND. (a) The county treasurer, before
10 beginning to perform the duties of office, must execute a bond with
11 a surety company authorized to do business in this state as a
12 surety. The bond ~~[that]~~ must be:

13 (1) approved by the commissioners court;

14 (2) ~~[and]~~ made payable to the county judge in an amount
15 established by the commissioners court not to exceed one-half of
16 one percent of the largest amount budgeted for general county
17 maintenance and operations for any fiscal year of the county
18 beginning during the term of office preceding the term for which the
19 bond is to be given except that the amount may not be less than
20 \$5,000 or more than \$500,000; and

21 (3) ~~[. The bond must be]~~ conditioned that the
22 treasurer will~~+~~

23 ~~[(1)]~~ faithfully execute the duties of office~~+~~

24 ~~[(2) remit according to law all funds received as~~
25 ~~county treasurer; and~~

26 ~~[(3) render an account of all funds received to the~~
27 ~~commissioners court at each regular term of the court].~~

1 (b) The treasurer must take and subscribe the official oath,
2 which must be endorsed on the bond. The bond and the oath shall be
3 recorded in the county clerk's office. The commissioners court
4 may, at any time, require the treasurer to obtain a new or
5 additional bond if the court considers the existing bond
6 insufficient or doubtful. The bond may not exceed the maximum
7 amount provided by Subsection (a). The bond must be acquired within
8 20 days after the date notice of the requirement has been given by
9 the commissioners court. The failure of a treasurer to obtain a
10 bond required by this subsection subjects the treasurer to removal
11 under Section 83.004.

12 SECTION 15. Section 83.003(c), Local Government Code, is
13 amended to read as follows:

14 (c) The introductory course required by Subsection (a) and
15 ~~[at least 10 hours of]~~ the continuing education required by
16 Subsection (b) must be sponsored or cosponsored by ~~[taken at]~~ an
17 accredited public institution of higher education. ~~[The remaining~~
18 ~~required classroom hours, wherever taken, must be certified by an~~
19 ~~accredited public institution of higher education.]~~

20 SECTION 16. Sections 83.004(a) and (c), Local Government
21 Code, are amended to read as follows:

22 (a) If a person elected to the office of county treasurer
23 fails to provide an adequate bond as required by Section 83.002(a)
24 and to take the official oath on or before assuming the office
25 ~~[within 20 days after the date the certificate of election is~~
26 ~~received]~~, the county judge may ~~[shall]~~ declare the office vacant.

27 (c) A vacancy in the office of county treasurer shall be

1 filled as provided by Section 87.041. The person appointed to fill
2 the vacancy shall, on or before entering upon the discharge of the
3 duties of office [~~and within 20 days after the date notice of the~~
4 ~~appointment is received~~], take the official oath and obtain the
5 same surety bond as required by Section 83.002(a) for an elected
6 county treasurer.

7 SECTION 17. Section 85.001(a), Local Government Code, is
8 amended to read as follows:

9 (a) A person elected as sheriff, before beginning to perform
10 the duties of office, must execute a bond with:

- 11 (1) two or more good and sufficient sureties; or
12 (2) a solvent surety company authorized to do business
13 in this state.

14 SECTION 18. Section 86.002(a), Local Government Code, is
15 amended to read as follows:

16 (a) Before entering on the duties of office, a person who is
17 elected to the office of constable must execute a bond with two or
18 more good and sufficient sureties or with a solvent surety company
19 authorized to do business in this state. The bond must be payable
20 to the governor and the governor's successors in office and
21 conditioned that the constable will faithfully perform the duties
22 imposed by law. The bond must be approved by the commissioners
23 court of the county. The commissioners court shall set the bond in
24 an amount of not less than \$500 or more than \$1,500.

25 SECTION 19. The heading to Section 89.001, Local Government
26 Code, is amended to read as follows:

27 Sec. 89.001. SPECIAL COUNSEL IN POPULOUS COUNTIES [~~WITH~~

1 ~~POPULATION OF MORE THAN ONE MILLION]~~.

2 SECTION 20. Section 89.001(a), Local Government Code, is
3 amended to read as follows:

4 (a) The commissioners court of a county with a population of
5 more than 1.25 ~~[one]~~ million may employ an attorney as special
6 counsel.

7 SECTION 21. Section 89.0041(b), Local Government Code, is
8 amended to read as follows:

9 (b) The written notice must be delivered by certified or
10 registered mail by the 30th business day after suit is filed and
11 contain:

- 12 (1) the style and cause number of the suit;
- 13 (2) the court in which the suit was filed; ~~[and]~~
- 14 (3) the date on which the suit was filed; and
- 15 (4) the name of the person filing suit.

16 SECTION 22. Section 157.002(a), Local Government Code, is
17 amended to read as follows:

18 (a) The commissioners court by rule may provide for medical
19 care and hospitalization and may provide for compensation,
20 accident, hospital, and disability insurance for the following
21 persons if their salaries are paid from the funds of the county or
22 funds of a flood control district located entirely in the county, or
23 funds of a hospital district described by Section 281.0475, Health
24 and Safety Code, located entirely in the county, or if they are
25 employees of another governmental entity for which the county is
26 obligated to provide benefits:

- 27 (1) deputies, assistants, and other employees of the

1 county, or of the flood control district, or of the hospital
2 district, who work under the commissioners court or its appointees;

3 (2) county and district officers and their deputies
4 and assistants appointed under Subchapter A, Chapter 151;

5 (3) employees appointed under Section 10(a), Article
6 42.12, Code of Criminal Procedure;

7 (4) any retired person formerly holding any status
8 listed above; and

9 (5) the dependents of any person listed above.

10 SECTION 23. Section 157.003(b), Local Government Code, is
11 amended to read as follows:

12 (b) A person who elects to participate in the health plan
13 must authorize contributions to the fund by salary deduction. The
14 authorization must be in writing and must be given at the time of
15 the person's employment or on the effective date of the rules. The
16 county and any participating flood control district or hospital
17 district shall also contribute to the fund. A person who does not
18 contribute to the plan may not receive hospitalization or insurance
19 benefits.

20 SECTION 24. Subchapter A, Chapter 157, Local Government
21 Code, is amended by adding Section 157.008 to read as follows:

22 Sec. 157.008. INSURANCE POOL OR INSURANCE COMPANY NOT
23 CREATED. If a county provides for medical care and hospitalization
24 or provides for compensation, accident, hospital, and disability
25 insurance to persons listed under Section 157.002(a)(1), the
26 county:

27 (1) has not created an insurance pool with a flood

1 control district, hospital district, or other governmental entity,
2 unless the county enters into a contract under Chapter 172; and

3 (2) is not an insurance company subject to the
4 Insurance Code or to regulation by the Texas Department of
5 Insurance as an insurance company.

6 SECTION 25. Section 157.101(a), Local Government Code, is
7 amended to read as follows:

8 (a) A commissioners court by rule, including through an
9 intergovernmental risk pool organized under Chapter 172, may
10 provide for group health and related benefits, including medical
11 care, surgical care, hospitalization, and pharmaceutical, life,
12 accident, disability, long-term care, vision, dental, mental
13 health, and substance abuse benefits, for the following persons if
14 their salaries are paid from the funds of the county or funds of a
15 flood control district located entirely in the county, or funds of a
16 hospital district described by Section 281.0475, Health and Safety
17 Code, located entirely in the county, or if they are employees of
18 another governmental entity for which the county is obligated to
19 provide benefits:

20 (1) deputies, assistants, and other employees of the
21 county, or of the flood control district, or of the hospital
22 district, who work under the commissioners court or its appointees;

23 (2) county and district officers and their deputies
24 and assistants appointed under Subchapter A, Chapter 151;

25 (3) employees of a community supervision and
26 corrections department established under Chapter 76, Government
27 Code;

1 (4) a retired person formerly holding a status listed
2 in Subdivisions (1)-(3); and

3 (5) the dependents of a person listed in Subdivisions
4 (1)-(4).

5 SECTION 26. Section 157.102(b), Local Government Code, is
6 amended to read as follows:

7 (b) A person who elects to participate in any aspect of the
8 group health and related benefits plan and is required to make
9 contributions toward the payment of the plan must authorize
10 contributions to the fund by salary deduction. The authorization
11 must be submitted in writing to the county officer authorized by the
12 commissioners court to administer payroll deductions. The
13 authorization remains in effect as long as the person is required to
14 make contributions toward the payment of the plan. If the amount of
15 the person's required contributions changes after the date the
16 request for deduction is submitted, the county shall notify the
17 person of the change before the change takes effect. The county and
18 any participating flood control district or hospital district may
19 also contribute to the fund.

20 SECTION 27. Subchapter F, Chapter 157, Local Government
21 Code, is amended by adding Section 157.106 to read as follows:

22 Sec. 157.106. INSURANCE POOL OR INSURANCE COMPANY NOT
23 CREATED. If a county provides for group health and related
24 benefits, including medical care, surgical care, hospitalization,
25 and pharmaceutical, life, accident, disability, long-term care,
26 vision, dental, mental health, and substance abuse benefits, to
27 persons listed under Section 157.101(a)(1), the county:

1 (1) has not created an insurance pool with a flood
2 control district, hospital district, or other governmental entity,
3 unless the county enters into a contract under Chapter 172; and

4 (2) is not an insurance company subject to the
5 Insurance Code or to regulation by the Texas Department of
6 Insurance as an insurance company.

7 SECTION 28. Section 172.003(1), Local Government Code, is
8 amended to read as follows:

9 (1) "Affiliated service contractor" means an
10 organization qualified for exemption under Section 501(c),
11 Internal Revenue Code (26 U.S.C. Section 501(c)), as amended, that
12 provides governmental or quasi-governmental services on behalf of a
13 political subdivision and derives more than 25 [~~50~~] percent of its
14 gross revenues from grants or funding from the political
15 subdivision.

16 SECTION 29. Chapter 263, Local Government Code, is amended
17 by adding Subchapter F to read as follows:

18 SUBCHAPTER F. ADVERTISING SPACE

19 Sec. 263.251. SALE OR LEASE OF ADVERTISING SPACE. (a) The
20 commissioners court of a county may adopt a procedure by which the
21 county may:

22 (1) lease to another entity advertising space located:
23 (A) in or on a building or part of a building
24 owned by the county;

25 (B) on a vehicle owned by the county; or

26 (C) on an official county website; or

27 (2) sell advertising space located on correspondence

1 distributed by the county through the United States Postal Service.

2 (b) The procedure must include a requirement that the county
3 publish, before a sale or lease is made, a notice of its intent to
4 sell or lease the advertising space. The notice must:

5 (1) be published:

6 (A) at least one time in a newspaper of general
7 circulation in the county not earlier than the 30th day or later
8 than the 14th day before the date the award of the sale or lease is
9 made; and

10 (B) on the county's official website
11 continuously for the 14 days immediately before the date the award
12 of the sale or lease is made;

13 (2) include a description of the advertising space,
14 including its location and a description of the part of any real or
15 personal property that the advertising space occupies; and

16 (3) include a description of the procedure by which
17 bids or proposals for the sale or lease may be submitted.

18 (c) Under the procedure, the commissioners court may reject
19 any and all bids or proposals submitted.

20 SECTION 30. Subchapter B, Chapter 292, Local Government
21 Code, is amended by adding Section 292.030 to read as follows:

22 Sec. 292.030. FACILITIES IN UNINCORPORATED AREA OF COUNTY.

23 (a) The commissioners court of a county may purchase, construct,
24 reconstruct, improve, equip, or provide for by other means,
25 including by lease or lease with an option to purchase, a branch
26 office in the unincorporated area of the county.

27 (b) Any county officer may maintain an office and the county

1 may provide any county service at the branch office authorized by
2 this section. The maintenance of an office or the provision of a
3 service at the branch office must be in addition to an office
4 maintained or service provided at any other location required by
5 law.

6 SECTION 31. Section 351.0415, Local Government Code, is
7 amended to read as follows:

8 Sec. 351.0415. COMMISSARY OPERATION BY SHERIFF OR PRIVATE
9 VENDOR. (a) The sheriff of a county or the sheriff's designee,
10 including a private vendor operating a detention facility under
11 contract with the county, may operate, or contract with another
12 person to operate, a commissary for the use of the inmates
13 [~~prisoners~~] committed to the county jail or to a detention facility
14 operated by the private vendor, as appropriate. The commissary
15 must be operated in accordance with rules adopted by the Commission
16 on Jail Standards.

17 (b) The sheriff or the sheriff's designee:

18 (1) has exclusive control of the commissary funds;

19 (2) shall maintain commissary accounts showing the
20 amount of proceeds from the commissary operation and the amount and
21 purpose of disbursements made from the proceeds; and

22 (3) shall accept new bids to renew contracts of
23 commissary suppliers every five years.

24 (c) The sheriff or the sheriff's designee may use commissary
25 proceeds only to:

26 (1) fund, staff, and equip a program addressing the
27 social needs of the inmates [~~county prisoners~~], including an

1 educational or recreational program and religious or
2 rehabilitative counseling;

3 (2) supply inmates [~~county prisoners~~] with clothing,
4 writing materials, and hygiene supplies;

5 (3) establish, staff, and equip the commissary
6 operation and fund the salaries of staff responsible for managing
7 the inmates' commissary accounts; [~~or~~]

8 (4) fund, staff, and equip both an educational and a
9 law library for the educational use of inmates; or

10 (5) fund physical plant improvements, technology,
11 equipment, programs, services, and activities that provide for the
12 well-being, health, safety, and security of the inmates and the
13 facility [~~county prisoners~~].

14 (d) For a jail under the supervision of the sheriff, at [~~At~~]
15 least once each county fiscal year, or more often if the
16 commissioners court desires, the auditor shall, without advance
17 notice, fully examine the jail commissary accounts. The auditor
18 shall verify the correctness of the accounts and report the
19 findings of the examination to the commissioners court of the
20 county at its next term beginning after the date the audit is
21 completed.

22 (e) A private vendor operating a detention facility under
23 contract with the county shall ensure that the facility commissary
24 accounts are annually examined by an independent auditor.

25 (f) When entering into a contract under Subsection (a), the
26 sheriff or the sheriff's designee shall consider the following:

27 (1) whether the contract should provide for a fixed

1 rate of return combined with a sales growth incentive;

2 (2) the menu items offered by the provider and the
3 price of those items;

4 (3) the value, as measured by a best value standard,
5 and benefits to inmates and the commissary, as offered by the
6 provider;

7 (4) safety and security procedures to be performed by
8 the provider; and

9 (5) the performance record of the provider, including
10 service availability, reliability, and efficiency.

11 (g) Commissary proceeds may be used only for the purposes
12 described in Subsection (c). A commissioners court may not use
13 commissary proceeds to fund the budgetary operating expenses of a
14 county jail.

15 SECTION 32. Section 351.04155, Local Government Code, is
16 amended by amending Subsection (a) and adding Subsection (c) to
17 read as follows:

18 (a) This section applies only to a county that:

19 (1) has a population of one million or more; ~~and~~

20 (2) has two municipalities with a population of
21 200,000 ~~[300,000]~~ or more; and

22 (3) is adjacent to a county with a population of one
23 million or more.

24 (c) A purchase made by the sheriff using commissary proceeds
25 is subject to the competitive purchasing procedures contained in
26 Subchapter C, Chapter 262. For the purpose of complying with that
27 subchapter, a reference in that subchapter to "commissioners court"

1 means the sheriff and a reference to "the county official who makes
2 purchases for the county" means the sheriff or the sheriff's
3 designee.

4 SECTION 33. Subtitle B, Title 11, Local Government Code, is
5 amended by adding Chapter 353 to read as follows:

6 CHAPTER 353. COUNTY HAZARDOUS MATERIALS SERVICES

7 Sec. 353.001. DEFINITIONS. In this chapter:

8 (1) "Concerned party" means a person:

9 (A) involved in the possession, ownership, or
10 transportation of a hazardous material that is released or
11 abandoned; or

12 (B) who has legal liability for the causation of
13 an incident resulting in the release or abandonment of a hazardous
14 material.

15 (2) "Hazardous material" means a flammable material,
16 an explosive, a radioactive material, a hazardous waste, a toxic
17 substance, or related material, including a substance defined as a
18 "hazardous substance," "hazardous material," "toxic substance," or
19 "solid waste" under:

20 (A) the federal Comprehensive Environmental
21 Response, Compensation, and Liability Act of 1980 (42 U.S.C.
22 Section 9601 et seq.);

23 (B) the federal Resource Conservation and
24 Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.);

25 (C) the federal Toxic Substances Control Act (15
26 U.S.C. Section 2601 et seq.);

27 (D) the federal Hazardous Materials

1 Transportation Act (49 U.S.C. Section 5101 et seq.); or

2 (E) Chapter 361, Health and Safety Code.

3 Sec. 353.002. APPLICABILITY. This chapter applies to an
4 incident involving hazardous material that has been leaked,
5 spilled, released, or abandoned on any property.

6 Sec. 353.003. HAZARDOUS MATERIALS SERVICES. (a) A county
7 may provide hazardous materials services, including a response to
8 an incident involving hazardous material that has been leaked,
9 spilled, released, or abandoned, if:

10 (1) the county first provides reasonable notice to a
11 concerned party regarding the need for the hazardous materials
12 services so that the concerned party has a reasonable opportunity
13 to respond to the incident involving hazardous material; and

14 (2) the concerned party fails to respond or fails to
15 respond in a timely and effective manner to the incident.

16 (b) A county may provide limited control and containment
17 measures that are necessary to protect human health and the
18 environment without first complying with the requirements of
19 Subsection (a) if the county is the first entity to arrive at a site
20 where an incident involving hazardous material has occurred that is
21 prepared to take action in response to the incident.

22 (c) If the hazardous material is natural gas released from
23 an underground facility as defined by Section 251.002, Utilities
24 Code, the county:

25 (1) must comply with the requirements of Section
26 251.159, Utilities Code; and

27 (2) may not operate any equipment or other controls or

1 devices at the underground facility without the express permission
2 of the operator of the facility.

3 Sec. 353.004. FEE FOR PROVIDING HAZARDOUS MATERIALS
4 SERVICE; EXCEPTION. (a) A county, or a person authorized by
5 contract on the county's behalf, may charge a reasonable fee,
6 including a fee to offset the cost of providing control and
7 containment measures under Section 353.003(b), to a concerned party
8 for responding to a hazardous materials service call.

9 (b) A county, or a person authorized by contract on the
10 county's behalf, may charge a fee for providing hazardous materials
11 services under Section 353.003(a) only if the county has complied
12 with the requirements of that subsection. A concerned party is not
13 liable for a fee associated with the county's hazardous materials
14 services under Section 353.003(a) or a fee to offset the cost of
15 providing control and containment measures under Section
16 353.003(b) if the county provides hazardous materials services
17 under Section 353.003(a) and the county does not provide notice as
18 required by Section 353.003(a)(1).

19 (c) An individual who is a concerned party does not have to
20 pay a fee under this section if:

21 (1) the individual is not involved in the possession,
22 ownership, or transportation of the hazardous material as the
23 employee, agent, or servant of another person;

24 (2) the individual is involved solely for private,
25 noncommercial purposes related to the individual's own property and
26 the individual receives no compensation for any services involving
27 the hazardous materials; and

1 (3) the hazardous materials possessed, owned, or being
2 transported by the individual are in forms, quantities, and
3 containers ordinarily available for sale as consumer products to
4 members of the general public.

5 Sec. 353.005. EXEMPTION FOR GOVERNMENTAL ENTITIES. This
6 chapter does not apply to hazardous materials owned or possessed by
7 a governmental entity.

8 SECTION 34. Chapter 372, Local Government Code, is amended
9 by adding Subchapter C to read as follows:

10 SUBCHAPTER C. IMPROVEMENT PROJECTS IN CERTAIN COUNTIES

11 Sec. 372.101. DEFINITIONS; APPLICABILITY. (a) In this
12 subchapter:

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

15 (2) "District" means a public improvement district
16 created by a county under this subchapter.

17 (3) "Hotel" has the meaning assigned by Section
18 156.001, Tax Code, and includes a timeshare, overnight lodging
19 unit, or condominium during the time the timeshare, overnight
20 lodging unit, or condominium is rented by a person who is not the
21 owner of the timeshare, overnight lodging unit, or condominium.

22 (4) "Municipality" means the municipality in whose
23 extraterritorial jurisdiction the improvement project is to be
24 located.

25 (b) This subchapter applies only to a county with a
26 population of 825,000 or more.

27 Sec. 372.102. PURPOSE. By enacting this subchapter, the

1 legislature has created a program for economic development as
2 provided in Section 52-a, Article III, Texas Constitution. A
3 county may engage in economic development projects as provided by
4 this subchapter, and, on a determination of the commissioners court
5 of the county to create a district, may delegate the authority to
6 oversee and manage the economic development project to an appointed
7 board of directors. In appointing a board, the commissioners court
8 delegates its authority to serve a public use and benefit.

9 Sec. 372.103. COUNTY MAY ESTABLISH DISTRICT. A county may
10 create a public improvement district under this subchapter if the
11 county determines it is in the county's best interest. A district
12 created under this subchapter is a political subdivision of this
13 state.

14 Sec. 372.104. APPLICABILITY; CONFLICT OF LAWS. This
15 subchapter controls to the extent of a conflict between this
16 subchapter and Subchapter A.

17 Sec. 372.105. ESTABLISHMENT OF ECONOMIC DEVELOPMENT
18 PROJECTS; OPTIONAL CREATION OF PUBLIC IMPROVEMENT DISTRICT.

19 (a) The commissioners court of a county, other than a county that
20 borders on the Gulf of Mexico or a bay or inlet of the gulf or a
21 county that has two municipalities located in whole or in part
22 within its boundaries each having a population of 300,000 or more,
23 may on receipt of a petition satisfying the requirements of Section
24 372.005, establish by order an economic development project in a
25 designated portion of the county, or, if the county determines it is
26 in the best interests of the county, create a district only in an
27 area located in the extraterritorial jurisdiction of a municipality

1 in that county.

2 (b) The order must:

3 (1) describe the territory in which the economic
4 development project is to be located or the boundaries of a
5 district;

6 (2) specifically authorize the district to exercise
7 the powers of this subchapter if the county has determined that
8 creating a district is in the county's best interests; and

9 (3) state whether the petition requests improvements
10 to be financed and paid for with taxes authorized by this subchapter
11 instead of or in addition to assessments.

12 Sec. 372.106. GOVERNING BODY; TERMS. If a county elects to
13 delegate the authority granted under this subchapter, it shall
14 appoint a board of seven directors to serve staggered two-year
15 terms, with three or four directors' terms expiring June 1 of each
16 year to manage the economic development project or, at the option of
17 the county, govern the district.

18 Sec. 372.107. ELIGIBILITY. (a) To be eligible to serve as
19 a director, a person must be at least 18 years old.

20 (b) If the population of the district is more than 1,000, to
21 be eligible to serve as a director, a person must be at least 18
22 years old, reside in the district, and meet the qualifications of
23 Section 375.063.

24 Sec. 372.108. VACANCIES; QUORUM. (a) A board vacancy is
25 filled in the same manner as the original appointment.

26 (b) A vacant board position is not counted for the purposes
27 of establishing a quorum of the board.

1 Sec. 372.109. CONFLICTS OF INTEREST. Chapter 171 governs
2 conflicts of interest for directors.

3 Sec. 372.110. COMPENSATION. (a) For purposes of this
4 section, "performs the duties of a director" means substantial
5 performance of the management of the district's business, including
6 participation in board and committee meetings and other activities
7 involving the substantive deliberation of district business and in
8 pertinent educational programs, but does not include routine or
9 ministerial activities such as the execution of documents or
10 self-preparation for meetings.

11 (b) A county is authorized to compensate the directors when
12 they perform the duties of a director. The county shall compensate
13 a director not more than \$50 a day for each day that the director
14 performs the duties of a director.

15 Sec. 372.111. OATH AND BOND; OFFICER ELECTIONS. As soon as
16 practicable, a board member shall give the bond and take the oath of
17 office in accordance with Section 375.067, and the board shall
18 elect officers in accordance with Section 375.068.

19 Sec. 372.112. ELECTION DATES. (a) For an election ordered
20 by the county under this subchapter before December 31, 2005, the
21 uniform election dates under the Election Code in effect on January
22 1, 2005, apply.

23 (b) This section expires January 1, 2007.

24 Sec. 372.113. POWERS AND DUTIES. (a) A county operating
25 under this subchapter has the powers and duties of:

26 (1) a county development district under Chapter 383,
27 except for Section 383.066;

1 (2) a road district created by a county under Section
2 52, Article III, Texas Constitution; and

3 (3) a municipality or county under Chapter 380 or 381,
4 or under Section 372.003(b)(9).

5 (b) A county is authorized to manage an economic development
6 project in a designated portion of the county, or to create a
7 district and to delegate to a board the county's powers and duties
8 as provided by this subchapter.

9 (c) A county may not delegate to a district the powers and
10 duties of a road district or the power to provide water, wastewater,
11 or drainage facilities under this section unless both the
12 municipality and county consent by resolution.

13 Sec. 372.114. DEVELOPMENT AGREEMENTS. A county may enter
14 into a development agreement with an owner of land in the territory
15 designated for an economic development project, or a district may
16 enter into a development agreement, for a term not to exceed 30
17 years on any terms and conditions the county or the board considers
18 advisable. The parties may amend the agreement.

19 Sec. 372.115. ECONOMIC DEVELOPMENT AGREEMENT; ELECTION;
20 TAXES. (a) A county may enter into an agreement, only on terms and
21 conditions the commissioners court and a board consider advisable,
22 to make a grant or loan of public money to promote state or local
23 economic development and to stimulate business and commercial
24 activity in the territory where the economic development project is
25 located, or in the district, including a grant or loan to induce the
26 construction of a tourist destination or attraction in accordance
27 with Chapter 380 or 381.

1 (b) If authorized by the county, a district created by the
2 county may order an election to be held in the district to approve a
3 grant or loan agreement. The grant or loan may be payable over a
4 term of years and be enforceable on the district under the terms of
5 the agreement and the conditions of the election, which may,
6 subject to the requirements of Section 372.127(c), include the
7 irrevocable obligation to impose an ad valorem tax, sales and use
8 tax, or hotel occupancy tax for a term not to exceed 30 years. If
9 authorized at the election, the board may contract to pay the taxes
10 to the recipient of the grant or loan in accordance with the
11 agreement.

12 (c) If the property owners petitioning a county to create a
13 district under Section 372.105 propose that the district be created
14 only to provide economic development grants or loans and road
15 improvements and not to impose assessments, and the county
16 determines that the creation of the district is in the best
17 interests of the county, the district is not required to prepare a
18 feasibility report, a service plan or assessment plan, or an
19 assessment roll as required by this chapter.

20 Sec. 372.116. CONTRACTS; GENERAL. (a) A district may
21 contract with any person, including the municipality or county, on
22 the terms and conditions and for a period of time the board
23 determines, to:

24 (1) accomplish any district purpose, including a
25 contract to pay, repay, or reimburse from tax proceeds or another
26 specified source of money any costs, including reasonable interest,
27 incurred by a person on the county's or the district's behalf,

1 including all or part of the costs of an improvement project; and

2 (2) receive, administer, and perform the county's or
3 the district's duties and obligations under a gift, grant, loan,
4 conveyance, or other financial assistance arrangement relating to
5 the investigation, planning, analysis, study, design, acquisition,
6 construction, improvement, completion, implementation, or
7 operation by the district or another person of an improvement
8 project or proposed improvement project.

9 (b) A state agency, municipality, county, other political
10 subdivision, corporation, or other person may contract with the
11 county or district to carry out the purposes of this subchapter.

12 Sec. 372.117. PROCUREMENT CONTRACTS. A district may
13 contract for materials, supplies, and construction:

14 (1) in accordance with the laws applicable to
15 counties; or

16 (2) in the same manner that a local government
17 corporation created pursuant to Chapter 431, Transportation Code,
18 is authorized to contract.

19 Sec. 372.118. RULES; ENFORCEMENT. A county may authorize
20 the board to adopt rules:

21 (1) to administer and operate the district;

22 (2) for the use, enjoyment, availability, protection,
23 security, and maintenance of district property, including
24 facilities; or

25 (3) to provide for public safety and security in the
26 district.

27 Sec. 372.119. FEES. A county may authorize a board to

1 establish, revise, repeal, enforce, collect, and apply the proceeds
2 from user fees or charges for the enjoyment, sale, rental, or other
3 use of its facilities or other property, or for services or
4 improvement projects.

5 Sec. 372.120. RULES; REGULATION OF ROADS AND OTHER PUBLIC
6 AREAS. (a) A county may authorize a board to adopt rules to
7 regulate the private use of public roadways, open spaces, parks,
8 sidewalks, and similar public areas in the district, if the use is
9 for a public purpose.

10 (b) A rule, order, ordinance, or regulation of a county or
11 municipality that conflicts with a rule adopted under this section
12 controls to the extent of any conflict.

13 (c) A rule adopted under this section may provide for the
14 safe and orderly use of public roadways, open spaces, parks,
15 sidewalks, and similar public areas in the area of the district or
16 economic development project.

17 Sec. 372.121. ROAD PROJECTS. (a) To the extent authorized
18 by Section 52, Article III, Texas Constitution, the county may
19 delegate to the district the authority to construct, acquire,
20 improve, maintain, or operate macadamized, graveled, or paved roads
21 or turnpikes, or improvements in aid of those roads or turnpikes,
22 inside the territory targeted by the county for an economic
23 development project, or the district.

24 (b) A road project must meet all applicable construction
25 standards, zoning and subdivision requirements, and regulatory
26 ordinances of each municipality in whose corporate limits or
27 extraterritorial jurisdiction the district is located. If the

1 district is located outside the extraterritorial jurisdiction of a
2 municipality, a road project must meet all applicable construction
3 standards, zoning and subdivision requirements, and regulatory
4 ordinances of each county in which the district is located.

5 Sec. 372.122. UTILITIES. (a) This subchapter does not
6 grant the board any right-of-way management authority over public
7 utilities.

8 (b) To the extent the construction, maintenance, or
9 operation of a project under this subchapter requires the
10 relocation or extension of a public utility facility, the district
11 shall reimburse the public utility for all costs associated with
12 the relocation, removal, extension, or other adjustment of the
13 facility.

14 Sec. 372.123. SERVICE PLAN REQUIRED. The commissioners
15 court of the county that created the district may require a district
16 to prepare an annual service plan, in the manner provided for by
17 Section 372.013, that meets the approval of the commissioners
18 court.

19 Sec. 372.124. NO EMINENT DOMAIN. A district may not
20 exercise the power of eminent domain.

21 Sec. 372.125. NO TAX ABATEMENTS. A county may not grant a
22 tax abatement or enter into a tax abatement agreement for a district
23 created under this subchapter.

24 Sec. 372.126. BONDS; NOTES. (a) A district may not issue
25 bonds unless approved by the commissioners court of the county that
26 created the district. If the population in the district is more
27 than 1,000, the bonds may not be issued unless approved by a

1 majority of the voters of the district voting in an election held
2 for that purpose. A bond election under this subsection does not
3 affect prior bond issuances and is not required for refunding bond
4 issuances.

5 (b) A district may not issue a negotiable promissory note or
6 notes unless approved by the commissioners court of the county that
7 created the district.

8 (c) If the commissioners court grants approval under this
9 section, bonds, notes, and other district obligations may be
10 secured by district revenue or any type of district taxes or
11 assessments.

12 Sec. 372.127. AUTHORITY TO IMPOSE ASSESSMENTS AND AD
13 VALOREM, SALES AND USE, AND HOTEL OCCUPANCY TAXES; ELECTION. (a) A
14 county or a district created under this subchapter may accomplish
15 its purposes and pay the cost of services and improvements by
16 imposing:

- 17 (1) an assessment;
18 (2) an ad valorem tax;
19 (3) a sales and use tax; or
20 (4) a hotel occupancy tax.

21 (b) A district may impose an ad valorem tax, hotel occupancy
22 tax, or sales and use tax to accomplish the economic development
23 purposes prescribed by Section 52a, Article III, Texas
24 Constitution, if the tax is approved by:

- 25 (1) the commissioners court of the county that created
26 the district; and
27 (2) a majority of the voters of the district voting at

1 an election held for that purpose.

2 (c) A county must adopt an order providing whether a
3 district has the authority to impose a hotel occupancy tax, sales
4 and use tax, or ad valorem tax, and must provide the rate at which
5 the district may impose the tax. A tax rate approved by the
6 commissioners court and pledged to secure bonds, notes, grant
7 agreements, or development agreements may not be reduced until the
8 obligations of those instruments have been satisfied.

9 Sec. 372.128. USE OF REVENUE FROM TAXES. A tax authorized
10 by a county to be imposed under this subchapter may be used to
11 accomplish any improvement project or road project, or to provide
12 any service authorized by this chapter or Chapter 380, 381, or 383.

13 Sec. 372.129. HOTEL OCCUPANCY TAX. (a) A county may
14 authorize a district to impose a hotel occupancy tax on a person who
15 pays for the use or possession of or for the right to the use or
16 possession of a room that is ordinarily used for sleeping in a hotel
17 in the district.

18 (b) If authorized by a county, a district shall impose a
19 hotel occupancy tax as provided by Chapter 383, Local Government
20 Code, and Section 352.107, Tax Code, except that a hotel occupancy
21 tax:

22 (1) may be used for any purpose authorized in this
23 subchapter; and

24 (2) is authorized by the county to be imposed by the
25 district.

26 (c) The hotel occupancy tax rate is the greater of nine
27 percent or the rate imposed by the municipality.

1 (d) A hotel occupancy tax may not be imposed on the
2 occupants of a hotel unless the owner of the hotel agrees to the
3 imposition of the hotel occupancy taxes under this subchapter.
4 After the owner agrees, the agreement may not be revoked by the
5 owner of the hotel or any subsequent owner of the hotel. After an
6 agreement under this section, the district may impose hotel
7 occupancy taxes as provided by this subchapter.

8 Sec. 372.130. SALES AND USE TAX. (a) A commissioners court
9 may authorize a district to impose a sales and use tax in increments
10 of one-eighth of one percent up to a rate of two percent.

11 (b) Except as otherwise provided in this subchapter, a sales
12 and use tax must be imposed in accordance with Chapter 383, Local
13 Government Code, and Chapter 323, Tax Code.

14 Sec. 372.131. AD VALOREM TAX. A commissioners court may
15 authorize a district to impose an ad valorem tax on property in the
16 district in accordance with Chapter 257, Transportation Code.

17 Sec. 372.132. BORROWING. The commissioners court may
18 authorize a district to borrow money for any district purpose,
19 including for a development agreement that authorizes the district
20 to borrow money.

21 Sec. 372.133. REPAYMENT OF COSTS. The commissioners court
22 may authorize a district, by a lease, lease-purchase agreement,
23 installment purchase contract, or other agreement, or by the
24 imposition or assessment of a tax, user fee, concession, rental, or
25 other revenue or resource of the district, to provide for or secure
26 the payment or repayment of:

27 (1) the costs and expenses of the establishment,

1 administration, and operation of the district;

2 (2) the district's costs or share of costs of an
3 improvement project; or

4 (3) the district's contractual obligations or
5 indebtedness.

6 Sec. 372.134. LIABILITIES; ASSUMPTION OF ASSETS AFTER
7 COMPLETE ANNEXATION BY MUNICIPALITY. (a) If the municipality
8 annexes the entire territory of a district, the municipality shall
9 assume the district's assets, but is not liable for the district's
10 debt or other obligations.

11 (b) If the county has authorized a district created under
12 this subchapter to have debt or other obligations, the district
13 remains in existence after the territory is annexed by the
14 municipality for the purpose of collecting any taxes or assessments
15 authorized by the county and imposed by the district before
16 annexation. Taxes or assessments collected after annexation must
17 be used by the district solely for the purpose of satisfying any
18 preexisting county-authorized district debt or other obligation.
19 After the debt or other obligations have been discharged, or two
20 years have expired since the date of the annexation, the district is
21 dissolved and any outstanding debt or obligations are extinguished.

22 Sec. 372.135. AUTHORITY TO IMPOSE TAXES OR ASSESSMENTS
23 AFTER PARTIAL OR COMPLETE ANNEXATION. (a) After a district has
24 been annexed by a municipality wholly or partly for general
25 purposes, the county may not authorize the district to impose an ad
26 valorem tax, hotel occupancy tax, or sales and use tax, or collect
27 an assessment in the area that the municipality overlaps the

1 district, except as provided by Subsection (b) or Section
2 372.134(b).

3 (b) A district may continue to impose a tax in an area that
4 the municipality annexes for limited purposes and in which the
5 municipality does not impose taxes. If the municipality annexes an
6 area for limited purposes and imposes some of the taxes which the
7 district is imposing but not all of them, the district may continue
8 to impose taxes only to the extent that the level of taxation of the
9 municipality and the district combined, calculating the hotel tax,
10 the sales tax, and the ad valorem tax independently, is equal to or
11 less than the tax level of the municipality as to fully annexed
12 areas.

13 (c) The legislature intends that the level of taxation of
14 areas where the district and the municipality overlap do not exceed
15 the level of taxation of fully annexed areas.

16 SECTION 35. Section 311.002(1), Tax Code, is amended to
17 read as follows:

18 (1) "Project costs" means the expenditures made or
19 estimated to be made and monetary obligations incurred or estimated
20 to be incurred by the municipality or county establishing a
21 reinvestment zone that are listed in the project plan as costs of
22 public works or public improvements in the zone, plus other costs
23 incidental to those expenditures and obligations. "Project costs"
24 include:

25 (A) capital costs, including the actual costs of
26 the acquisition and construction of public works, public
27 improvements, new buildings, structures, and fixtures; the actual

1 costs of the acquisition, demolition, alteration, remodeling,
2 repair, or reconstruction of existing buildings, structures, and
3 fixtures; and the actual costs of the acquisition of land and
4 equipment and the clearing and grading of land;

5 (B) financing costs, including all interest paid
6 to holders of evidences of indebtedness or other obligations issued
7 to pay for project costs and any premium paid over the principal
8 amount of the obligations because of the redemption of the
9 obligations before maturity;

10 (C) real property assembly costs;

11 (D) professional service costs, including those
12 incurred for architectural, planning, engineering, and legal
13 advice and services;

14 (E) imputed administrative costs, including
15 reasonable charges for the time spent by employees of the
16 municipality or county in connection with the implementation of a
17 project plan;

18 (F) relocation costs;

19 (G) organizational costs, including the costs of
20 conducting environmental impact studies or other studies, the cost
21 of publicizing the creation of the zone, and the cost of
22 implementing the project plan for the zone;

23 (H) interest before and during construction and
24 for one year after completion of construction, whether or not
25 capitalized;

26 (I) the cost of operating the reinvestment zone
27 and project facilities;

1 (J) the amount of any contributions made by the
2 municipality or county from general revenue for the implementation
3 of the project plan; and

4 (K) payments made at the discretion of the
5 governing body of the municipality or county that the governing
6 body [~~municipality~~] finds necessary or convenient to the creation
7 of the zone or to the implementation of the project plans for the
8 zone.

9 SECTION 36. Sections 311.003 and 311.004, Tax Code, are
10 amended to read as follows:

11 Sec. 311.003. PROCEDURE FOR CREATING REINVESTMENT ZONE.

12 (a) The governing body of a municipality by ordinance or the
13 governing body of a county by order may designate a contiguous
14 geographic area in the jurisdiction of the municipality or county
15 to be a reinvestment zone to promote development or redevelopment
16 of the area if the governing body determines that development or
17 redevelopment would not occur solely through private investment in
18 the reasonably foreseeable future.

19 (b) Before adopting an ordinance or order providing for a
20 reinvestment zone, the governing body of the municipality or county
21 must prepare a preliminary reinvestment zone financing plan. As
22 soon as the plan is completed, a copy of the plan must be sent to the
23 governing body of each taxing unit that levies taxes on real
24 property in the proposed zone.

25 (c) Before adopting an ordinance or order providing for a
26 reinvestment zone, the municipality or county must hold a public
27 hearing on the creation of the zone and its benefits to the

1 municipality or county and to property in the proposed zone. At the
2 hearing an interested person may speak for or against the creation
3 of the zone, its boundaries, or the concept of tax increment
4 financing. Not later than the seventh day before the date of the
5 hearing, notice of the hearing must be published in a newspaper
6 having general circulation in the municipality or county.

7 (d) A municipality or county proposing to designate a
8 reinvestment zone must provide a reasonable opportunity for the
9 owner of property to protest the inclusion of the property in a
10 proposed reinvestment zone.

11 (e) Not later than the 60th day before the date of the public
12 hearing required by Subsection (c), the governing body of the
13 municipality or county must notify in writing the governing body of
14 each other taxing unit that levies real property taxes in the
15 proposed reinvestment zone that it intends to establish the zone.
16 The notice must contain a description of the proposed boundaries of
17 the zone, the tentative plans for the development or redevelopment
18 of the zone, and an estimate of the general impact of the proposed
19 zone on property values and tax revenues. The notice may be given
20 later than the 60th day before the date of the public hearing if the
21 governing body of each municipality, county, and school district,
22 other than the municipality or county proposing to designate a
23 reinvestment zone, that levies real property taxes in the proposed
24 zone agrees to waive the requirement.

25 (f) A taxing unit may request additional information from
26 the governing body of the municipality or county proposing to
27 designate a reinvestment zone. The governing body of the

1 municipality or county shall provide the information requested to
2 the extent practicable. In addition to the notice required by
3 Subsection (e), the governing body of the municipality or county
4 proposing to designate a reinvestment zone shall make a formal
5 presentation to the governing body of each municipality, county, or
6 school district, other than the municipality or county proposing to
7 designate the zone, that levies real property taxes in the proposed
8 reinvestment zone. The presentation must include a description of
9 the proposed boundaries of the zone, the tentative plans for the
10 development or redevelopment of the zone, and an estimate of the
11 general impact of the proposed zone on property values and tax
12 revenues. The governing body of the municipality or county shall
13 notify each other taxing unit that levies real property taxes in the
14 proposed zone of each presentation to be made to a municipality,
15 county, or school district under this subsection. Members of the
16 governing body of each taxing unit that levies real property taxes
17 in the proposed zone may attend a presentation under this
18 subsection. If agreed to by the municipalities, county, or school
19 districts involved, the governing body of the municipality or
20 county proposing to designate a reinvestment zone may make a single
21 presentation to more than one municipal, county, or school district
22 governing body.

23 (g) Not later than the 15th day after the date on which the
24 notice required by Subsection (e) is given, each taxing unit that
25 levies real property taxes in the proposed reinvestment zone shall
26 designate a representative to meet with the governing body of the
27 municipality or county proposing to designate a reinvestment zone

1 to discuss the project plan and the reinvestment zone financing
2 plan and shall notify the governing body of the municipality or
3 county of its designation. At any time after the 15th day after the
4 date on which the notice required by Subsection (e) has been given
5 to every taxing unit, the governing body of the municipality or
6 county proposing to designate a reinvestment zone may call a
7 meeting of the representatives of the taxing units. The governing
8 body of the municipality or county may call as many meetings as it
9 considers necessary. Each representative shall be notified of each
10 meeting in advance. At the meetings the governing body of the
11 municipality or county and the representatives of the other taxing
12 units may discuss the boundaries of the zone, development in the
13 zone, the tax increment that each taxing unit will contribute to the
14 tax increment fund, the retention by a taxing unit of a portion of
15 its tax increment as permitted by Section 311.013, the exclusion of
16 particular parcels of property from the zone, the board of
17 directors for the zone, and tax collection for the zone. On the
18 motion of the governing body of the municipality or county calling
19 the meeting, any other matter relevant to the proposed reinvestment
20 zone may be discussed.

21 Sec. 311.004. CONTENTS OF REINVESTMENT ZONE ORDINANCE OR
22 ORDER. (a) The ordinance or order designating an area as a
23 reinvestment zone must:

24 (1) describe the boundaries of the zone with
25 sufficient definiteness to identify with ordinary and reasonable
26 certainty the territory included in the zone;

27 (2) create a board of directors for the zone and

1 specify the number of directors of the board as provided by Section
2 311.009 or 311.0091, as applicable;

3 (3) provide that the zone take effect immediately upon
4 passage of the ordinance or order;

5 (4) provide a date for termination of the zone;

6 (5) assign a name to the zone for identification, with
7 the first zone created by a municipality or county designated as
8 "Reinvestment Zone Number One, City (or Town, as applicable) of
9 (name of municipality)," or "Reinvestment Zone Number One, (name of
10 county) County," as applicable, and subsequently created zones
11 assigned names in the same form numbered consecutively in the order
12 of their creation;

13 (6) establish a tax increment fund for the zone; and

14 (7) contain findings that:

15 (A) improvements in the zone will significantly
16 enhance the value of all the taxable real property in the zone and
17 will be of general benefit to the municipality or county; and

18 (B) the area meets the requirements of Section
19 311.005.

20 (b) For purposes of complying with Subsection (a)(7)(A),
21 the ordinance or order is not required to identify the specific
22 parcels of real property to be enhanced in value.

23 (c) To designate a reinvestment zone under Section
24 311.005(a)(5), the governing body of a municipality or county must
25 specify in the ordinance or order that the reinvestment zone is
26 designated under that section.

27 SECTION 37. Section 311.005(a), Tax Code, is amended to

1 read as follows:

2 (a) To be designated as a reinvestment zone, an area must:

3 (1) substantially arrest or impair the sound growth of
4 the municipality or county creating the zone, retard the provision
5 of housing accommodations, or constitute an economic or social
6 liability and be a menace to the public health, safety, morals, or
7 welfare in its present condition and use because of the presence of:

8 (A) a substantial number of substandard, slum,
9 deteriorated, or deteriorating structures;

10 (B) the predominance of defective or inadequate
11 sidewalk or street layout;

12 (C) faulty lot layout in relation to size,
13 adequacy, accessibility, or usefulness;

14 (D) unsanitary or unsafe conditions;

15 (E) the deterioration of site or other
16 improvements;

17 (F) tax or special assessment delinquency
18 exceeding the fair value of the land;

19 (G) defective or unusual conditions of title; or

20 (H) conditions that endanger life or property by
21 fire or other cause;

22 (2) be predominantly open and, because of obsolete
23 platting, deterioration of structures or site improvements, or
24 other factors, substantially impair or arrest the sound growth of
25 the municipality or county; [~~or~~]

26 (3) be in a federally assisted new community located
27 in the municipality or county or in an area immediately adjacent to

1 a federally assisted new community; or

2 (5) be an area described in a petition requesting that
3 the area be designated as a reinvestment zone, if the petition is
4 submitted to the governing body of the municipality or county by the
5 owners of property constituting at least 50 percent of the
6 appraised value of the property in the area according to the most
7 recent certified appraisal roll for the county in which the area is
8 located.

9 SECTION 38. Section 311.007, Tax Code, is amended to read as
10 follows:

11 Sec. 311.007. CHANGING BOUNDARIES OF EXISTING ZONE. (a)
12 Subject to the limitations provided by Section 311.006, if
13 applicable, the boundaries of an existing reinvestment zone may be
14 reduced or enlarged by ordinance or resolution of the governing
15 body of the municipality or by order or resolution of the governing
16 body of the county that created the zone.

17 (b) The governing body of the municipality or county may
18 enlarge an existing reinvestment zone to include an area described
19 in a petition requesting that the area be included in the zone if
20 the petition is submitted to the governing body of the municipality
21 or county by the owners of property constituting at least 50 percent
22 of the appraised value of the property in the area according to the
23 most recent certified appraisal roll for the county in which the
24 area is located. The composition of the board of directors of the
25 zone continues to be governed by Section 311.009(a) or (b),
26 whichever applied to the zone immediately before the enlargement of
27 the zone, except that the membership of the board must conform to

1 the requirements of the applicable subsection of Section 311.009 as
2 applied to the zone after its enlargement. The provision of Section
3 311.006(b) relating to the amount of property used for residential
4 purposes that may be included in the zone does not apply to the
5 enlargement of a zone under this subsection.

6 SECTION 39. The heading to Section 311.008, Tax Code, is
7 amended to read as follows:

8 Sec. 311.008. POWERS OF MUNICIPALITY OR COUNTY.

9 SECTION 40. Sections 311.008(a), (b), and (d), Tax Code,
10 are amended to read as follows:

11 (a) In this section, "educational facility" includes
12 equipment, real property, and other facilities, including a public
13 school building, that are used or intended to be used jointly by the
14 municipality or county and an independent school district.

15 (b) A municipality or county may exercise any power
16 necessary and convenient to carry out this chapter, including the
17 power to:

18 (1) cause project plans to be prepared, approve and
19 implement the plans, and otherwise achieve the purposes of the
20 plan;

21 (2) acquire real property by purchase, condemnation,
22 or other means to implement project plans and sell that property on
23 the terms and conditions and in the manner it considers advisable;

24 (3) enter into agreements, including agreements with
25 bondholders, determined by the governing body of the municipality
26 or county to be necessary or convenient to implement project plans
27 and achieve their purposes, which agreements may include

1 conditions, restrictions, or covenants that run with the land or
2 that by other means regulate or restrict the use of land; and

3 (4) consistent with the project plan for the zone:

4 (A) acquire blighted, deteriorated,
5 deteriorating, undeveloped, or inappropriately developed real
6 property or other property in a blighted area or in a federally
7 assisted new community in the zone for the preservation or
8 restoration of historic sites, beautification or conservation, the
9 provision of public works or public facilities, or other public
10 purposes;

11 (B) acquire, construct, reconstruct, or install
12 public works, facilities, or sites or other public improvements,
13 including utilities, streets, street lights, water and sewer
14 facilities, pedestrian malls and walkways, parks, flood and
15 drainage facilities, or parking facilities, but not including
16 educational facilities; or

17 (C) in a reinvestment zone created on or before
18 September 1, 1999, acquire, construct, or reconstruct educational
19 facilities in the municipality.

20 (d) A municipality or county may make available to the
21 public on request financial information regarding the acquisition
22 by the municipality or county of land in the zone when the
23 municipality or county acquires the land.

24 SECTION 41. Sections 311.009(a), (b), (e), and (f), Tax
25 Code, are amended to read as follows:

26 (a) Except as provided by Subsection (b), the board of
27 directors of a reinvestment zone consists of at least five and not

1 more than 15 members, unless more than 15 members are required to
2 satisfy the requirements of this subsection.

3 Each taxing unit other than the [~~a~~] municipality or county
4 that created the zone that levies taxes on real property in the zone
5 may appoint one member of the board. A unit may waive its right to
6 appoint a director. The governing body of the municipality or
7 county that created the zone may appoint not more than 10 directors
8 to the board; except that if there are fewer than five directors
9 appointed by taxing units other than the municipality or county,
10 the governing body of the municipality or county may appoint more
11 than 10 members as long as the total membership of the board does
12 not exceed 15.

13 (b) If the zone was designated under Section 311.005(a)(5),
14 the board of directors of the zone consists of nine members. Each
15 school district, [~~or~~] county, or municipality, other than the
16 municipality or county that created the zone, that levies taxes on
17 real property in the zone may appoint one member of the board if the
18 school district, [~~or~~] county, or municipality has approved the
19 payment of all or part of the tax increment produced by the unit.
20 The member of the state senate in whose district the zone is located
21 is a member of the board, and the member of the state house of
22 representatives in whose district the zone is located is a member of
23 the board, except that either may designate another individual to
24 serve in the member's place at the pleasure of the member. If the
25 zone is located in more than one senate or house district, this
26 subsection applies only to the senator or representative in whose
27 district a larger portion of the zone is located than any other

1 senate or house district, as applicable. The remaining members of
2 the board are appointed by the governing body of the municipality or
3 county that created the zone.

4 (e) To be eligible for appointment to the board by the
5 governing body of the municipality or county that created the zone,
6 an individual must:

7 (1) if the board is covered by Subsection (a):

8 (A) be a qualified voter of the municipality or
9 county, as applicable; or

10 (B) be at least 18 years of age and own real
11 property in the zone, whether or not the individual resides in the
12 municipality or county; or

13 (2) if the board is covered by Subsection (b):

14 (A) be at least 18 years of age; and

15 (B) own real property in the zone or be an
16 employee or agent of a person that owns real property in the zone.

17 (f) Each year the governing body of the municipality or
18 county that created the zone shall appoint one member of the board
19 to serve as chairman for a term of one year that begins on January 1
20 of the following year. The board of directors may elect a
21 vice-chairman to preside in the absence of the chairman or when
22 there is a vacancy in the office of chairman. The board may elect
23 other officers as it considers appropriate.

24 SECTION 42. Section 311.010, Tax Code, is amended to read as
25 follows:

26 Sec. 311.010. POWERS AND DUTIES OF BOARD OF DIRECTORS. (a)

27 The board of directors of a reinvestment zone shall make

1 recommendations to the governing body of the municipality or county
2 that created the zone concerning the administration of this chapter
3 in the zone. The governing body of the municipality by ordinance or
4 resolution or the county by order or resolution may authorize the
5 board to exercise any of the municipality's or county's powers with
6 respect to the administration, management, or operation of the zone
7 or the implementation of the project plan for the zone, except that
8 the governing body may not authorize the board to:

- 9 (1) issue bonds;
10 (2) impose taxes or fees;
11 (3) exercise the power of eminent domain; or
12 (4) give final approval to the project plan.

13 (b) The board of directors of a reinvestment zone and the
14 governing body of the municipality or county that creates a
15 reinvestment zone may each enter into agreements as the board or the
16 governing body considers necessary or convenient to implement the
17 project plan and reinvestment zone financing plan and achieve their
18 purposes. An agreement may provide for the regulation or
19 restriction of the use of land by imposing conditions,
20 restrictions, or covenants that run with the land. An agreement may
21 during the term of the agreement dedicate, pledge, or otherwise
22 provide for the use of revenue in the tax increment fund to pay any
23 project costs that benefit the reinvestment zone, including project
24 costs relating to the cost of buildings, schools, or other
25 educational facilities owned by or on behalf of a school district,
26 community college district, or other political subdivision of this
27 state, railroad or transit facilities, affordable housing, the

1 remediation of conditions that contaminate public or private land
2 or buildings, the preservation of the facade of a private or public
3 building, or the demolition of public or private buildings. An
4 agreement may dedicate revenue from the tax increment fund to pay
5 the costs of providing affordable housing or areas of public
6 assembly in or out of the zone. An agreement may dedicate revenue
7 from the tax increment fund to pay a neighborhood enterprise
8 association for providing services or carrying out projects
9 authorized under Subchapters E and G, Chapter 2303, Government
10 Code, in the zone. The term of an agreement with a neighborhood
11 enterprise association may not exceed 10 years.

12 (c) Subject to the approval of the governing body of the
13 municipality that created the zone, the board of a zone designated
14 by the governing body of a municipality under Section 311.005(a)(5)
15 may exercise the power granted by Chapter 211, Local Government
16 Code, to the governing body of the municipality that created the
17 zone to restrict the use or uses of property in the zone. The board
18 may provide that a restriction adopted by the board continues in
19 effect after the termination of the zone. In that event, after
20 termination of the zone the restriction is treated as if it had been
21 adopted by the governing body of the municipality.

22 (d) The board of directors of a reinvestment zone may
23 exercise any power granted to a municipality or county by Section
24 311.008, except that:

25 (1) the municipality or county that created the
26 reinvestment zone by ordinance, ~~[or]~~ resolution, or order may
27 restrict any power granted to the board by this chapter; and

1 (2) the board may exercise a power granted to a
2 municipality or county under Section 311.008(b)(2) [~~311.008(a)(2)~~]
3 only with the consent of the governing body of the municipality or
4 county.

5 (e) After the governing body of a municipality by ordinance
6 or the governing body of a county by order creates a reinvestment
7 zone under this chapter, the board of directors of the zone may
8 exercise any power granted to a board under this chapter.

9 (f) The board of directors of a reinvestment zone and the
10 governing body of the municipality or county that created the zone
11 may enter into a contract with a local government corporation or a
12 political subdivision to manage the reinvestment zone or implement
13 the project plan and reinvestment zone financing plan for the term
14 of the agreement. In this subsection, "local government
15 corporation" means a local government corporation created by the
16 municipality or county under Chapter 431, Transportation Code.

17 SECTION 43. Sections 311.011(a), (b), (d), (e), and (g),
18 Tax Code, are amended to read as follows:

19 (a) The board of directors of a reinvestment zone shall
20 prepare and adopt a project plan and a reinvestment zone financing
21 plan for the zone and submit the plans to the governing body of the
22 municipality or county that created the zone. The plans must be as
23 consistent as possible with the preliminary plans developed for the
24 zone before the creation of the board.

25 (b) The project plan must include:

26 (1) a map showing existing uses and conditions of real
27 property in the zone and a map showing proposed improvements to and

1 proposed uses of that property;

2 (2) proposed changes of zoning ordinances, the master
3 plan of the municipality, building codes, ~~and~~ other municipal
4 ordinances, and subdivision rules and regulations, if any, of the
5 county, if applicable;

6 (3) a list of estimated nonproject costs; and

7 (4) a statement of a method of relocating persons to be
8 displaced as a result of implementing the plan.

9 (d) The governing body of the municipality or county that
10 created the zone must approve a project plan or reinvestment zone
11 financing plan after its adoption by the board. The approval must
12 be by ordinance, in the case of a municipality, or by order, in the
13 case of a county, that finds that the plan is feasible and conforms
14 to the master plan, if any, of the municipality or to subdivision
15 rules and regulations, if any, of the county.

16 (e) The board of directors of the zone at any time may adopt
17 an amendment to the project plan consistent with the requirements
18 and limitations of this chapter. The amendment takes effect on
19 approval by the governing body of the municipality or county that
20 created the zone. That approval must be by ordinance, in the case
21 of a municipality, or by order, in the case of a county. If an
22 amendment reduces or increases the geographic area of the zone,
23 increases the amount of bonded indebtedness to be incurred,
24 increases or decreases the percentage of a tax increment to be
25 contributed by a taxing unit, increases the total estimated project
26 costs, or designates additional property in the zone to be acquired
27 by the municipality or county, the approval must be by ordinance or

1 order, as applicable, adopted after a public hearing that satisfies
2 the procedural requirements of Sections 311.003(c) and (d).

3 (g) An amendment to the project plan or the reinvestment
4 zone financing plan for a zone does not apply to a school district
5 that participates in the zone unless the governing body of the
6 school district by official action approves the amendment, if the
7 amendment:

8 (1) has the effect of directly or indirectly
9 increasing the percentage or amount of the tax increment to be
10 contributed by the school district; or

11 (2) requires or authorizes the municipality or county
12 creating the zone to issue additional tax increment bonds or notes.

13 SECTION 44. Sections 311.013(d), (f), and (k), Tax Code,
14 are amended to read as follows:

15 (d) If the reinvestment zone is created on or after August
16 29, 1983, a taxing unit is not required to pay a tax increment into
17 the tax increment fund of the zone after three years from the date
18 the zone is created unless the following conditions exist or have
19 been met within the three-year period:

20 (1) bonds have been issued for the zone under Section
21 311.015;

22 (2) the municipality or county that created the zone
23 has acquired property in the zone pursuant to the project plan; or

24 (3) construction of improvements pursuant to the
25 project plan has begun in the zone.

26 (f) A taxing unit is not required to pay into the tax
27 increment fund any of its tax increment produced from property

1 located in a reinvestment zone designated under Section 311.005(a)
2 or in an area added to a reinvestment zone under Section 311.007
3 unless the taxing unit enters into an agreement to do so with the
4 governing body of the municipality or county that created the zone.
5 A taxing unit may enter into an agreement under this subsection at
6 any time before or after the zone is created or enlarged. The
7 agreement may include conditions for payment of that tax increment
8 into the fund and must specify the portion of the tax increment to
9 be paid into the fund and the years for which that tax increment is
10 to be paid into the fund. The agreement and the conditions in the
11 agreement are binding on the taxing unit, the municipality or
12 county, and the board of directors of the zone.

13 (k) A school district is not required to pay into the tax
14 increment fund any of its tax increment produced from property
15 located in an area added to the reinvestment zone under Section
16 311.007(a) or (b) unless the governing body of the school district
17 enters into an agreement to do so with the governing body of the
18 municipality or county that created the zone~~[, including a~~
19 ~~municipality described by Subsection (h)]~~. The governing body of a
20 school district may enter into an agreement under this subsection
21 at any time before or after the zone is created or enlarged. The
22 agreement may include conditions for payment of that tax increment
23 into the fund and must specify the portion of the tax increment to
24 be paid into the fund and the years for which that tax increment is
25 to be paid into the fund. The agreement and the conditions in the
26 agreement are binding on the school district, the municipality or
27 county, and the board of directors of the zone.

1 SECTION 45. Sections 311.014(c) and (d), Tax Code, are
2 amended to read as follows:

3 (c) Subject to an agreement with the holders of tax
4 increment bonds or notes, money in a tax increment fund may be
5 temporarily invested in the same manner as other funds of the
6 municipality or county that created the zone.

7 (d) After all project costs and all tax increment bonds or
8 notes issued for a reinvestment zone have been paid, and subject to
9 any agreement with bondholders, any money remaining in the tax
10 increment fund shall be paid to the municipality or county that
11 created the zone and other taxing units levying taxes on property in
12 the zone in proportion to the municipality's or county's and each
13 other unit's respective share of the total amount of tax increments
14 derived from taxable real property in the zone that were deposited
15 in the fund during the fund's existence.

16 SECTION 46. Sections 311.016 and 311.017, Tax Code, are
17 amended to read as follows:

18 Sec. 311.016. ANNUAL REPORT BY MUNICIPALITY OR COUNTY. (a)
19 On or before the 90th day following the end of the fiscal year of the
20 municipality or county, the governing body of a municipality or
21 county shall submit to the chief executive officer of each taxing
22 unit that levies property taxes on real property in a reinvestment
23 zone created by the municipality or county a report on the status of
24 the zone. The report must include:

25 (1) the amount and source of revenue in the tax
26 increment fund established for the zone;

27 (2) the amount and purpose of expenditures from the

1 fund;

2 (3) the amount of principal and interest due on
3 outstanding bonded indebtedness;

4 (4) the tax increment base and current captured
5 appraised value retained by the zone; and

6 (5) the captured appraised value shared by the
7 municipality or county and other taxing units, the total amount of
8 tax increments received, and any additional information necessary
9 to demonstrate compliance with the tax increment financing plan
10 adopted by the governing body of the municipality or county.

11 (b) The municipality or county shall send a copy of a report
12 made under this section to:

13 (1) the attorney general; and

14 (2) the comptroller.

15 Sec. 311.017. TERMINATION OF REINVESTMENT ZONE. (a) A
16 reinvestment zone terminates on the earlier of:

17 (1) the termination date designated in the ordinance
18 or order, as applicable, creating the zone or an earlier
19 termination date designated by an ordinance or order adopted
20 subsequent to the ordinance or order creating the zone; or

21 (2) the date on which all project costs, tax increment
22 bonds, and interest on those bonds have been paid in full.

23 (b) The tax increment pledged to the payment of bonds and
24 interest on the bonds may be discharged and the reinvestment zone
25 may be terminated if the municipality or county that created the
26 zone deposits or causes to be deposited with a trustee or other
27 escrow agent authorized by law funds in an amount that, together

1 with the interest on the investment of the funds in direct
2 obligations of the United States, will be sufficient to pay the
3 principal of, premium, if any, and interest on all bonds issued on
4 behalf of the reinvestment zone at maturity or at the date fixed for
5 redemption of the bonds, and to pay any other amounts that may
6 become due, including compensation due or to become due to the
7 trustee or escrow agent.

8 SECTION 47. Sections 311.019(b) and (c), Tax Code, are
9 amended to read as follows:

10 (b) A municipality or county that designates a reinvestment
11 zone or approves a project plan or reinvestment zone financing plan
12 under this chapter shall deliver to the comptroller before April 1
13 of the year following the year in which the zone is designated or
14 the plan is approved a report containing:

15 (1) a general description of each zone, including:
16 (A) the size of the zone;
17 (B) the types of property located in the zone;
18 (C) the duration of the zone; and
19 (D) the guidelines and criteria established for
20 the zone under Section 311.005;

21 (2) a copy of each project plan or reinvestment zone
22 financing plan adopted; and

23 (3) any other information required by the comptroller
24 to administer this section and Subchapter F, Chapter 111.

25 (c) A municipality or county that amends or modifies a
26 project plan or reinvestment zone financing plan adopted under this
27 chapter shall deliver a copy of the amendment or modification to the

1 comptroller before April 1 of the year following the year in which
2 the plan was amended or modified.

3 SECTION 48. Section 311.020, Tax Code, is amended to read as
4 follows:

5 Sec. 311.020. STATE ASSISTANCE. (a) On request of the
6 governing body of a municipality or county or of the presiding
7 officer of the governing body, the comptroller may provide
8 assistance to a municipality or county relating to the
9 administration of this chapter.

10 (b) The Texas Department of Economic Development and the
11 comptroller may provide technical assistance to a municipality or
12 county regarding:

13 (1) the designation of reinvestment zones under this
14 chapter; and

15 (2) the adoption and execution of project plans or
16 reinvestment zone financing plans under this chapter.

17 SECTION 49. Section 281.0461, Health and Safety Code, and
18 Section 83.004(b), Local Government Code, are repealed.

19 SECTION 50. The change in law made by this Act to Article
20 27.18, Code of Criminal Procedure, applies to any proceeding
21 pending before a court on or after September 1, 2005.

22 SECTION 51. The changes in law made by this Act to Articles
23 14.06, 15.16, 15.17, 15.18, and 15.19, Code of Criminal Procedure,
24 apply only to an offense committed on or after the effective date of
25 this Act. An offense committed before the effective date of this
26 Act is covered by the law in effect when the offense was committed,
27 and the former law is continued in effect for that purpose. For the

1 purposes of this section, an offense is committed before the
2 effective date of this Act if any element of the offense occurs
3 before that date.

4 SECTION 52. The change in law made by this Act to Section
5 343.011(c), Health and Safety Code, applies only to a swimming pool
6 constructed or installed on or after September 1, 2005, or located
7 on property sold on or after September 1, 2005. A swimming pool
8 constructed or installed before September 1, 2005, is governed by
9 the law in effect immediately before the effective date of this Act
10 until the property on which the pool is located is sold, and the
11 former law is continued in effect for that purpose.

12 SECTION 53. The change in law made by this Act:

13 (1) to Sections 83.002 and 83.004(a), Local Government
14 Code, applies only to a county treasurer whose term begins on or
15 after the effective date of this Act; and

16 (2) to Section 83.004(c), Local Government Code,
17 applies only to a county treasurer who enters upon the discharge of
18 the duties of office on or after the effective date of this Act.

19 SECTION 54. (a) Except as provided by Subsection (b) of
20 this section, this Act takes effect September 1, 2005.

21 (b) The provisions of this Act adding Subchapter C, Chapter
22 372, Local Government Code, take effect immediately if this Act
23 receives a vote of two-thirds of all the members elected to each
24 house, as provided by Section 39, Article III, Texas Constitution.
25 If this Act does not receive the vote necessary for immediate
26 effect, those provisions take effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 2120 was passed by the House on May 9, 2005, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 2120 on May 27, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2120 on May 29, 2005, by the following vote: Yeas 138, Nays 2, 1 present, not voting.

Chief Clerk of the House

H.B. No. 2120

I certify that H.B. No. 2120 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2120 on May 29, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor