

1-1 By: Allen of Dallas, Jackson H.B. No. 2120
1-2 (Senate Sponsor - Lindsay)
1-3 (In the Senate - Received from the House May 10, 2005;
1-4 May 12, 2005, read first time and referred to Committee on
1-5 Jurisprudence; May 20, 2005, reported adversely, with favorable
1-6 Committee Substitute by the following vote: Yeas 6, Nays 0;
1-7 May 20, 2005, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 2120 By: Harris

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the administration and powers of county government.

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

1-13 SECTION 1. Article 14.06(a), Code of Criminal Procedure, is
1-14 amended to read as follows:

1-15 (a) Except as provided by Subsection (b), in each case
1-16 enumerated in this Code, the person making the arrest or the person
1-17 having custody of the person arrested shall take the person
1-18 arrested or have him taken without unnecessary delay, but not later
1-19 than 48 hours after the person is arrested, before the magistrate
1-20 who may have ordered the arrest, before some magistrate of the
1-21 county where the arrest was made without an order, or, [~~if~~
1-22 ~~necessary~~] to provide more expeditiously to the person arrested the
1-23 warnings described by Article 15.17 of this Code, before a
1-24 magistrate in any other [a] county of this state [~~bordering the~~
1-25 ~~county in which the arrest was made~~]. The magistrate shall
1-26 immediately perform the duties described in Article 15.17 of this
1-27 Code.

1-28 SECTION 2. Article 15.16, Code of Criminal Procedure, is
1-29 amended to read as follows:

1-30 Art. 15.16. HOW WARRANT IS EXECUTED. (a) The officer or
1-31 person executing a warrant of arrest shall without unnecessary
1-32 delay take the person or have him taken before the magistrate who
1-33 issued the warrant or before the magistrate named in the warrant, if
1-34 the magistrate is in the same county where the person is arrested.
1-35 If the issuing or named magistrate is in another county, the person
1-36 arrested shall without unnecessary delay be taken before some
1-37 magistrate in the county in which he was arrested.

1-38 (b) Notwithstanding Subsection (a), to provide more
1-39 expeditiously to the person arrested the warnings described by
1-40 Article 15.17, the officer or person executing the arrest warrant
1-41 may as permitted by that article take the person arrested before a
1-42 magistrate in a county other than the county of arrest.

1-43 SECTION 3. Article 15.17(a), Code of Criminal Procedure, is
1-44 amended to read as follows:

1-45 (a) In each case enumerated in this Code, the person making
1-46 the arrest or the person having custody of the person arrested shall
1-47 without unnecessary delay, but not later than 48 hours after the
1-48 person is arrested, take the person arrested or have him taken
1-49 before some magistrate of the county where the accused was arrested
1-50 or, [~~if necessary~~] to provide more expeditiously to the person
1-51 arrested the warnings described by this article, before a
1-52 magistrate in any other [a] county of this state [~~bordering the~~
1-53 ~~county in which the arrest was made~~]. The arrested person may be
1-54 taken before the magistrate in person or the image of the arrested
1-55 person may be presented [~~broadcast by closed circuit television~~]
1-56 to the magistrate by means of an electronic broadcast system. The
1-57 magistrate shall inform in clear language the person arrested,
1-58 either in person or through the electronic broadcast system [~~by~~
1-59 ~~closed circuit television~~], of the accusation against him and of
1-60 any affidavit filed therewith, of his right to retain counsel, of
1-61 his right to remain silent, of his right to have an attorney present
1-62 during any interview with peace officers or attorneys representing
1-63 the state, of his right to terminate the interview at any time, and

2-1 of his right to have an examining trial. The magistrate shall also
 2-2 inform the person arrested of the person's right to request the
 2-3 appointment of counsel if the person cannot afford counsel. The
 2-4 magistrate shall inform the person arrested of the procedures for
 2-5 requesting appointment of counsel. If the person does not speak and
 2-6 understand the English language or is deaf, the magistrate shall
 2-7 inform the person in a manner consistent with Articles 38.30 and
 2-8 38.31, as appropriate. The magistrate shall ensure that reasonable
 2-9 assistance in completing the necessary forms for requesting
 2-10 appointment of counsel is provided to the person at the same time.
 2-11 If the person arrested is indigent and requests appointment of
 2-12 counsel and if the magistrate is authorized under Article 26.04 to
 2-13 appoint counsel for indigent defendants in the county, the
 2-14 magistrate shall appoint counsel in accordance with Article 1.051.
 2-15 If the magistrate is not authorized to appoint counsel, the
 2-16 magistrate shall without unnecessary delay, but not later than 24
 2-17 hours after the person arrested requests appointment of counsel,
 2-18 transmit, or cause to be transmitted to the court or to the courts'
 2-19 designee authorized under Article 26.04 to appoint counsel in the
 2-20 county, the forms requesting the appointment of counsel. The
 2-21 magistrate shall also inform the person arrested that he is not
 2-22 required to make a statement and that any statement made by him may
 2-23 be used against him. The magistrate shall allow the person arrested
 2-24 reasonable time and opportunity to consult counsel and shall, after
 2-25 determining whether the person is currently on bail for a separate
 2-26 criminal offense, admit the person arrested to bail if allowed by
 2-27 law. ~~[A closed circuit television system may not be used under this~~
 2-28 ~~subsection unless the system provides for a two-way communication~~
 2-29 ~~of image and sound between the arrested person and the magistrate.]~~
 2-30 A recording of the communication between the arrested person and
 2-31 the magistrate shall be made. The recording shall be preserved
 2-32 until the earlier of the following dates: (1) the date on which the
 2-33 pretrial hearing ends; or (2) the 91st day after the date on which
 2-34 the recording is made if the person is charged with a misdemeanor or
 2-35 the 120th day after the date on which the recording is made if the
 2-36 person is charged with a felony. The counsel for the defendant may
 2-37 obtain a copy of the recording on payment of a reasonable amount to
 2-38 cover costs of reproduction. For purposes of this subsection,
 2-39 "electronic broadcast system" means a two-way electronic
 2-40 communication of image and sound between the arrested person and
 2-41 the magistrate and includes secure Internet videoconferencing.

2-42 SECTION 4. Article 15.18, Code of Criminal Procedure, is
 2-43 amended to read as follows:

2-44 Art. 15.18. ARREST FOR OUT-OF-COUNTY OFFENSE. (a) A person
 2-45 arrested under a warrant issued in a county other than the one in
 2-46 which the person is arrested shall be taken before a magistrate of
 2-47 the county where the arrest takes place or, to provide more
 2-48 expeditiously to the arrested person the warnings described by
 2-49 Article 15.17, before a magistrate in any other county of this
 2-50 state, including the county where the warrant was issued. The
 2-51 magistrate ~~[who]~~ shall:

2-52 (1) take bail, if allowed by law, and, if without
 2-53 jurisdiction, immediately transmit the bond taken to the court
 2-54 having jurisdiction of the offense; or

2-55 (2) in the case of a person arrested under warrant for
 2-56 an offense punishable by fine only, accept a written plea of guilty
 2-57 or nolo contendere, set a fine, determine costs, accept payment of
 2-58 the fine and costs, give credit for time served, determine
 2-59 indigency, or, on satisfaction of the judgment, discharge the
 2-60 defendant, as the case may indicate.

2-61 (b) Before the 11th business day after the date a magistrate
 2-62 accepts a written plea of guilty or nolo contendere in a case under
 2-63 Subsection (a)(2), the magistrate shall, if without jurisdiction,
 2-64 transmit to the court having jurisdiction of the offense:

- 2-65 (1) the written plea;
- 2-66 (2) any orders entered in the case; and
- 2-67 (3) any fine or costs collected in the case.

2-68 (c) The arrested person may be taken before a magistrate by
 2-69 means of an electronic broadcast system as provided by and subject

3-1 to the requirements of Article 15.17.
 3-2 SECTION 5. Article 15.19(b), Code of Criminal Procedure, is
 3-3 amended to read as follows:
 3-4 (b) If a person is arrested and taken before a magistrate in
 3-5 a county other than [bordering] the county in which the arrest is
 3-6 made [~~under the provisions of Article 15.17(a) of this code~~] and if
 3-7 the person is remanded to custody, the person may be confined in a
 3-8 jail in the county in which the magistrate serves for a period of
 3-9 not more than 72 hours after the arrest before being transferred to
 3-10 the county jail of the county in which the arrest occurred.
 3-11 SECTION 6. Section 403.1042(b), Government Code, is amended
 3-12 to read as follows:
 3-13 (b) The advisory committee is composed of 11 members
 3-14 appointed as follows:
 3-15 (1) one member appointed by the comptroller to
 3-16 represent a public hospital or hospital district located in a
 3-17 county with a population of 50,000 or less or a public hospital
 3-18 owned or maintained by a municipality;
 3-19 (2) one member appointed by the political subdivision
 3-20 that, in the year preceding the appointment, received the largest
 3-21 annual distribution paid from the account;
 3-22 (3) one member appointed by the political subdivision
 3-23 that, in the year preceding the appointment, received the second
 3-24 largest annual distribution paid from the account;
 3-25 (4) four members appointed by the Texas Conference of
 3-26 Urban Counties from nominations received from political
 3-27 subdivisions that, [~~+~~]
 3-28 [~~(A)~~] in the year preceding the appointment,
 3-29 received the 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, or 12th
 3-30 largest annual distribution paid from the account [~~+~~ and
 3-31 [~~(B)~~ do not have an appointee serving on the
 3-32 advisory committee at the time of appointment];
 3-33 (5) one member appointed by the County Judges and
 3-34 Commissioners Association of Texas;
 3-35 (6) one member appointed by the North and East Texas
 3-36 County Judges and Commissioners Association;
 3-37 (7) one member appointed by the South Texas County
 3-38 Judges and Commissioners Association; and
 3-39 (8) one member appointed by the West Texas County
 3-40 Judges and Commissioners Association.
 3-41 SECTION 7. Section 511.009(c), Government Code, is amended
 3-42 to read as follows:
 3-43 (c) At any time and on the application of the county
 3-44 commissioners court or sheriff, the commission may grant reasonable
 3-45 variances, including variances that are to last for the life of a
 3-46 facility, clearly justified by the facts, for operation of a
 3-47 facility not in strict compliance with state law. A variance may
 3-48 not permit unhealthy, unsanitary, or unsafe conditions.
 3-49 SECTION 8. Sections 12.137(b) and (c), Health and Safety
 3-50 Code, are amended to read as follows:
 3-51 (b) The advisory committee is composed of 11 members
 3-52 appointed [~~by the advisory committee~~] as follows:
 3-53 (1) one member appointed [~~nominated~~] by the board to
 3-54 represent a public hospital or hospital district located in a
 3-55 county with a population of 50,000 or less or a public hospital
 3-56 owned or maintained by a municipality;
 3-57 (2) one member appointed [~~nominated~~] by the political
 3-58 subdivision that, in the year preceding the appointment, received
 3-59 the largest annual distribution paid from the account;
 3-60 (3) one member appointed [~~nominated~~] by the political
 3-61 subdivision that, in the year preceding the appointment, received
 3-62 the second largest annual distribution paid from the account;
 3-63 (4) four members appointed [~~nominated~~] by the Texas
 3-64 Conference of Urban Counties from nominations received from
 3-65 political subdivisions that [~~+~~]
 3-66 [~~(A)~~] in the year preceding the appointment,
 3-67 received the 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, or 12th
 3-68 largest annual distribution paid from the account; [~~and~~
 3-69 [~~(B)~~ do not have a nominee serving on the

4-1 ~~advisory committee at the time of appointment,]~~

4-2 (5) one member appointed ~~[nominated]~~ by the County
4-3 Judges and Commissioners Association of Texas;

4-4 (6) one member appointed ~~[nominated]~~ by the North and
4-5 East Texas County Judges and Commissioners Association;

4-6 (7) one member appointed ~~[nominated]~~ by the South
4-7 Texas County Judges and Commissioners Association; and

4-8 (8) one member appointed ~~[nominated]~~ by the West Texas
4-9 County Judges and Commissioners Association.

4-10 (c) A commissioners court that sets the tax rate for a
4-11 hospital district must approve any person appointed ~~[nominated]~~ by
4-12 the hospital district to serve on the advisory committee.

4-13 SECTION 9. Subchapter C, Chapter 281, Health and Safety
4-14 Code, is amended by adding Section 281.0475 to read as follows:

4-15 Sec. 281.0475. RENAMING DISTRICT. (a) This section
4-16 applies only to a district created in a county with a population of
4-17 more than 800,000 that was not included in the boundaries of a
4-18 hospital district before September 1, 2003.

4-19 (b) With the approval of the commissioners court, the board
4-20 may rename the district.

4-21 SECTION 10. Section 81.028, Local Government Code, is
4-22 amended by adding Subsection (b-1) to read as follows:

4-23 (b-1) A county judge may file a standing order of emergency
4-24 delegation of authority that clearly indicates the types of orders
4-25 or official documents that the officer or employee may sign on
4-26 behalf of the county judge in the event of an emergency or disaster.

4-27 SECTION 11. Section 83.002, Local Government Code, is
4-28 amended to read as follows:

4-29 Sec. 83.002. BOND. (a) The county treasurer, before
4-30 beginning to perform the duties of office, must execute a bond with
4-31 a surety company authorized to do business in this state as a
4-32 surety. The bond ~~[that]~~ must be:

- 4-33 (1) approved by the commissioners court;
- 4-34 (2) ~~[and]~~ made payable to the county judge in an amount
4-35 established by the commissioners court not to exceed one-half of
4-36 one percent of the largest amount budgeted for general county
4-37 maintenance and operations for any fiscal year of the county
4-38 beginning during the term of office preceding the term for which the
4-39 bond is to be given except that the amount may not be less than
4-40 \$5,000 or more than \$500,000; and

4-41 (3) ~~[. The bond must be]~~ conditioned that the
4-42 treasurer will ~~[+]~~

4-43 ~~[(1)] faithfully execute the duties of office ~~[+]~~~~
4-44 ~~[(2) remit according to law all funds received as~~
4-45 ~~county treasurer, and~~

4-46 ~~[(3) render an account of all funds received to the~~
4-47 ~~commissioners court at each regular term of the court].~~

4-48 (b) The treasurer must take and subscribe the official oath,
4-49 which must be endorsed on the bond. The bond and the oath shall be
4-50 recorded in the county clerk's office. The commissioners court
4-51 may, at any time, require the treasurer to obtain a new or
4-52 additional bond if the court considers the existing bond
4-53 insufficient or doubtful. The bond may not exceed the maximum
4-54 amount provided by Subsection (a). The bond must be acquired within
4-55 20 days after the date notice of the requirement has been given by
4-56 the commissioners court. The failure of a treasurer to obtain a
4-57 bond required by this subsection subjects the treasurer to removal
4-58 under Section 83.004.

4-59 SECTION 12. Section 83.003(c), Local Government Code, is
4-60 amended to read as follows:

4-61 (c) The introductory course required by Subsection (a) and
4-62 ~~[at least 10 hours of]~~ the continuing education required by
4-63 Subsection (b) must be sponsored or cosponsored by ~~[taken at]~~ an
4-64 accredited public institution of higher education. ~~[The remaining~~
4-65 required classroom hours, wherever taken, must be certified by an
4-66 accredited public institution of higher education.]

4-67 SECTION 13. Sections 83.004(a) and (c), Local Government
4-68 Code, are amended to read as follows:

4-69 (a) If a person elected to the office of county treasurer

5-1 fails to provide an adequate bond as required by Section 83.002(a)
5-2 and to take the official oath on or before assuming the office
5-3 ~~[within 20 days after the date the certificate of election is~~
5-4 ~~received]~~, the county judge may ~~[shall]~~ declare the office vacant.

5-5 (c) A vacancy in the office of county treasurer shall be
5-6 filled as provided by Section 87.041. The person appointed to fill
5-7 the vacancy shall, on or before entering upon the discharge of the
5-8 duties of office ~~[and within 20 days after the date notice of the~~
5-9 ~~appointment is received]~~, take the official oath and obtain the
5-10 same surety bond as required by Section 83.002(a) for an elected
5-11 county treasurer.

5-12 SECTION 14. Section 85.001(a), Local Government Code, is
5-13 amended to read as follows:

5-14 (a) A person elected as sheriff, before beginning to perform
5-15 the duties of office, must execute a bond with:

- 5-16 (1) two or more good and sufficient sureties; or
- 5-17 (2) a solvent surety company authorized to do business
5-18 in this state.

5-19 SECTION 15. Section 86.002(a), Local Government Code, is
5-20 amended to read as follows:

5-21 (a) Before entering on the duties of office, a person who is
5-22 elected to the office of constable must execute a bond with two or
5-23 more good and sufficient sureties or with a solvent surety company
5-24 authorized to do business in this state. The bond must be payable
5-25 to the governor and the governor's successors in office and
5-26 conditioned that the constable will faithfully perform the duties
5-27 imposed by law. The bond must be approved by the commissioners
5-28 court of the county. The commissioners court shall set the bond in
5-29 an amount of not less than \$500 or more than \$1,500.

5-30 SECTION 16. The heading to Section 89.001, Local Government
5-31 Code, is amended to read as follows:

5-32 Sec. 89.001. SPECIAL COUNSEL IN POPULOUS COUNTIES ~~[WITH~~
5-33 ~~POPULATION OF MORE THAN ONE MILLION]~~.

5-34 SECTION 17. Section 89.001(a), Local Government Code, is
5-35 amended to read as follows:

5-36 (a) The commissioners court of a county with a population of
5-37 more than 1.25 ~~[one]~~ million may employ an attorney as special
5-38 counsel.

5-39 SECTION 18. Section 89.0041(b), Local Government Code, is
5-40 amended to read as follows:

5-41 (b) The written notice must be delivered by certified or
5-42 registered mail by the 30th business day after suit is filed and
5-43 contain:

- 5-44 (1) the style and cause number of the suit;
- 5-45 (2) the court in which the suit was filed; ~~[and]~~
- 5-46 (3) the date on which the suit was filed; and
- 5-47 (4) the name of the person filing suit.

5-48 SECTION 19. Section 157.002(a), Local Government Code, is
5-49 amended to read as follows:

5-50 (a) The commissioners court by rule may provide for medical
5-51 care and hospitalization and may provide for compensation,
5-52 accident, hospital, and disability insurance for the following
5-53 persons if their salaries are paid from the funds of the county or
5-54 funds of a flood control district located entirely in the county, or
5-55 funds of a hospital district described by Section 281.0475, Health
5-56 and Safety Code, located entirely in the county, or if they are
5-57 employees of another governmental entity for which the county is
5-58 obligated to provide benefits:

- 5-59 (1) deputies, assistants, and other employees of the
5-60 county, or of the flood control district, or of the hospital
5-61 district, who work under the commissioners court or its appointees;
- 5-62 (2) county and district officers and their deputies
5-63 and assistants appointed under Subchapter A, Chapter 151;
- 5-64 (3) employees appointed under Section 10(a), Article
5-65 42.12, Code of Criminal Procedure;
- 5-66 (4) any retired person formerly holding any status
5-67 listed above; and
- 5-68 (5) the dependents of any person listed above.

5-69 SECTION 20. Section 157.003(b), Local Government Code, is

6-1 amended to read as follows:

6-2 (b) A person who elects to participate in the health plan
 6-3 must authorize contributions to the fund by salary deduction. The
 6-4 authorization must be in writing and must be given at the time of
 6-5 the person's employment or on the effective date of the rules. The
 6-6 county and any participating flood control district or hospital
 6-7 district shall also contribute to the fund. A person who does not
 6-8 contribute to the plan may not receive hospitalization or insurance
 6-9 benefits.

6-10 SECTION 21. Subchapter A, Chapter 157, Local Government
 6-11 Code, is amended by adding Section 157.008 to read as follows:

6-12 Sec. 157.008. INSURANCE POOL OR INSURANCE COMPANY NOT
 6-13 CREATED. If a county provides for medical care and hospitalization
 6-14 or provides for compensation, accident, hospital, and disability
 6-15 insurance to persons listed under Section 157.002(a)(1), the
 6-16 county:

6-17 (1) has not created an insurance pool with a flood
 6-18 control district, hospital district, or other governmental entity,
 6-19 unless the county enters into a contract under Chapter 172; and

6-20 (2) is not an insurance company subject to the
 6-21 Insurance Code or to regulation by the Texas Department of
 6-22 Insurance as an insurance company.

6-23 SECTION 22. Section 157.101(a), Local Government Code, is
 6-24 amended to read as follows:

6-25 (a) A commissioners court by rule, including through an
 6-26 intergovernmental risk pool organized under Chapter 172, may
 6-27 provide for group health and related benefits, including medical
 6-28 care, surgical care, hospitalization, and pharmaceutical, life,
 6-29 accident, disability, long-term care, vision, dental, mental
 6-30 health, and substance abuse benefits, for the following persons if
 6-31 their salaries are paid from the funds of the county or funds of a
 6-32 flood control district located entirely in the county, or funds of a
 6-33 hospital district described by Section 281.0475, Health and Safety
 6-34 Code, located entirely in the county, or if they are employees of
 6-35 another governmental entity for which the county is obligated to
 6-36 provide benefits:

6-37 (1) deputies, assistants, and other employees of the
 6-38 county, or of the flood control district, or of the hospital
 6-39 district, who work under the commissioners court or its appointees;

6-40 (2) county and district officers and their deputies
 6-41 and assistants appointed under Subchapter A, Chapter 151;

6-42 (3) employees of a community supervision and
 6-43 corrections department established under Chapter 76, Government
 6-44 Code;

6-45 (4) a retired person formerly holding a status listed
 6-46 in Subdivisions (1)-(3); and

6-47 (5) the dependents of a person listed in Subdivisions
 6-48 (1)-(4).

6-49 SECTION 23. Section 157.102(b), Local Government Code, is
 6-50 amended to read as follows:

6-51 (b) A person who elects to participate in any aspect of the
 6-52 group health and related benefits plan and is required to make
 6-53 contributions toward the payment of the plan must authorize
 6-54 contributions to the fund by salary deduction. The authorization
 6-55 must be submitted in writing to the county officer authorized by the
 6-56 commissioners court to administer payroll deductions. The
 6-57 authorization remains in effect as long as the person is required to
 6-58 make contributions toward the payment of the plan. If the amount of
 6-59 the person's required contributions changes after the date the
 6-60 request for deduction is submitted, the county shall notify the
 6-61 person of the change before the change takes effect. The county and
 6-62 any participating flood control district or hospital district
 6-63 may also contribute to the fund.

6-64 SECTION 24. Subchapter F, Chapter 157, Local Government
 6-65 Code, is amended by adding Section 157.106 to read as follows:

6-66 Sec. 157.106. INSURANCE POOL OR INSURANCE COMPANY NOT
 6-67 CREATED. If a county provides for group health and related
 6-68 benefits, including medical care, surgical care, hospitalization,
 6-69 and pharmaceutical, life, accident, disability, long-term care,

7-1 vision, dental, mental health, and substance abuse benefits, to
7-2 persons listed under Section 157.101(a)(1), the county:

7-3 (1) has not created an insurance pool with a flood
7-4 control district, hospital district, or other governmental entity,
7-5 unless the county enters into a contract under Chapter 172; and

7-6 (2) is not an insurance company subject to the
7-7 Insurance Code or to regulation by the Texas Department of
7-8 Insurance as an insurance company.

7-9 SECTION 25. Subchapter B, Chapter 292, Local Government
7-10 Code, is amended by adding Section 292.030 to read as follows:

7-11 Sec. 292.030. FACILITIES IN UNINCORPORATED AREA OF COUNTY.

7-12 (a) The commissioners court of a county may purchase, construct,
7-13 reconstruct, improve, equip, or provide for by other means,
7-14 including by lease or lease with an option to purchase, a branch
7-15 office in the unincorporated area of the county.

7-16 (b) Any county officer may maintain an office and the county
7-17 may provide any county service at the branch office authorized by
7-18 this section. The maintenance of an office or the provision of a
7-19 service at the branch office must be in addition to an office
7-20 maintained or service provided at any other location required by
7-21 law.

7-22 SECTION 26. Section 351.0415, Local Government Code, is
7-23 amended to read as follows:

7-24 Sec. 351.0415. COMMISSARY OPERATION BY SHERIFF OR PRIVATE

7-25 VENDOR. (a) The sheriff of a county or the sheriff's designee,
7-26 including a private vendor operating a detention facility under
7-27 contract with the county, may operate, or contract with another
7-28 person to operate, a commissary for the use of the inmates
7-29 [prisoners] committed to the county jail or to a detention facility
7-30 operated by the private vendor, as appropriate. The commissary
7-31 must be operated in accordance with rules adopted by the Commission
7-32 on Jail Standards.

7-33 (b) The sheriff or the sheriff's designee:

7-34 (1) has exclusive control of the commissary funds;

7-35 (2) shall maintain commissary accounts showing the
7-36 amount of proceeds from the commissary operation and the amount and
7-37 purpose of disbursements made from the proceeds; and

7-38 (3) shall accept new bids to renew contracts of
7-39 commissary suppliers every five years.

7-40 (c) The sheriff or the sheriff's designee may use commissary
7-41 proceeds only to:

7-42 (1) fund, staff, and equip a program addressing the
7-43 social needs of the inmates [county prisoners], including an
7-44 educational or recreational program and religious or
7-45 rehabilitative counseling;

7-46 (2) supply inmates [county prisoners] with clothing,
7-47 writing materials, and hygiene supplies;

7-48 (3) establish, staff, and equip the commissary
7-49 operation and fund the salaries of staff responsible for managing
7-50 the inmates' commissary accounts; [or]

7-51 (4) fund, staff, and equip both an educational and a
7-52 law library for the educational use of inmates; or

7-53 (5) fund physical plant improvements, technology,
7-54 equipment, programs, services, and activities that provide for the
7-55 well-being, health, safety, and security of the inmates and the
7-56 facility [county prisoners].

7-57 (d) For a jail under the supervision of the sheriff, at [At]
7-58 least once each county fiscal year, or more often if the
7-59 commissioners court desires, the auditor shall, without advance
7-60 notice, fully examine the jail commissary accounts. The auditor
7-61 shall verify the correctness of the accounts and report the
7-62 findings of the examination to the commissioners court of the
7-63 county at its next term beginning after the date the audit is
7-64 completed.

7-65 (e) A private vendor operating a detention facility under
7-66 contract with the county shall ensure that the facility commissary
7-67 accounts are annually examined by an independent auditor.

7-68 (f) When entering into a contract under Subsection (a), the
7-69 sheriff or the sheriff's designee shall consider the following:

8-1 (1) whether the contract should provide for a fixed
 8-2 rate of return combined with a sales growth incentive;

8-3 (2) the menu items offered by the provider and the
 8-4 price of those items;

8-5 (3) the value, as measured by a best value standard,
 8-6 and benefits to inmates and the commissary, as offered by the
 8-7 provider;

8-8 (4) safety and security procedures to be performed by
 8-9 the provider; and

8-10 (5) the performance record of the provider, including
 8-11 service availability, reliability, and efficiency.

8-12 (g) Commissary proceeds may be used only for the purposes
 8-13 described in Subsection (c). A commissioners court may not use
 8-14 commissary proceeds to fund the budgetary operating expenses of a
 8-15 county jail.

8-16 SECTION 27. Section 351.04155, Local Government Code, is
 8-17 amended by amending Subsection (a) and adding Subsection (c) to
 8-18 read as follows:

8-19 (a) This section applies only to a county that:

8-20 (1) has a population of one million or more; ~~and~~

8-21 (2) has two municipalities with a population of
 8-22 200,000 ~~[300,000]~~ or more; and

8-23 (3) is adjacent to a county with a population of one
 8-24 million or more.

8-25 (c) A purchase made by the sheriff using commissary proceeds
 8-26 is subject to the competitive purchasing procedures contained in
 8-27 Subchapter C, Chapter 262. For the purpose of complying with that
 8-28 subchapter, a reference in that subchapter to "commissioners court"
 8-29 means the sheriff and a reference to "the county official who makes
 8-30 purchases for the county" means the sheriff or the sheriff's
 8-31 designee.

8-32 SECTION 28. Section 21.001, Property Code, is amended to
 8-33 read as follows:

8-34 Sec. 21.001. CONCURRENT JURISDICTION. (a) District courts
 8-35 and county courts at law have concurrent jurisdiction in eminent
 8-36 domain cases. A county court has no jurisdiction in eminent domain
 8-37 cases.

8-38 (b) District courts and county courts at law have concurrent
 8-39 jurisdiction under this section in cases in every county in this
 8-40 state. To the extent of a conflict between this subsection and
 8-41 another law, this subsection controls.

8-42 SECTION 29. Section 21.013, Property Code, is amended by
 8-43 amending Subsection (b) and adding Subsection (e) to read as
 8-44 follows:

8-45 (b) Except where otherwise provided by law, a party
 8-46 initiating a condemnation proceeding under this chapter ~~[in a~~
 8-47 ~~county in which there is one or more county courts at law with~~
 8-48 ~~jurisdiction]~~ shall file the petition with any clerk authorized to
 8-49 handle such filings in a ~~[for that]~~ court ~~[or courts]~~ that has
 8-50 jurisdiction over the proceeding.

8-51 (e) The filing fee for a petition filed under this section
 8-52 is due at the time of filing in accordance with Section 51.317,
 8-53 Government Code.

8-54 SECTION 30. Section 311.002(1), Tax Code, is amended to
 8-55 read as follows:

8-56 (1) "Project costs" means the expenditures made or
 8-57 estimated to be made and monetary obligations incurred or estimated
 8-58 to be incurred by the municipality or county establishing a
 8-59 reinvestment zone that are listed in the project plan as costs of
 8-60 public works or public improvements in the zone, plus other costs
 8-61 incidental to those expenditures and obligations. "Project costs"
 8-62 include:

8-63 (A) capital costs, including the actual costs of
 8-64 the acquisition and construction of public works, public
 8-65 improvements, new buildings, structures, and fixtures; the actual
 8-66 costs of the acquisition, demolition, alteration, remodeling,
 8-67 repair, or reconstruction of existing buildings, structures, and
 8-68 fixtures; and the actual costs of the acquisition of land and
 8-69 equipment and the clearing and grading of land;

9-1 (B) financing costs, including all interest paid
9-2 to holders of evidences of indebtedness or other obligations issued
9-3 to pay for project costs and any premium paid over the principal
9-4 amount of the obligations because of the redemption of the
9-5 obligations before maturity;

9-6 (C) real property assembly costs;

9-7 (D) professional service costs, including those
9-8 incurred for architectural, planning, engineering, and legal
9-9 advice and services;

9-10 (E) imputed administrative costs, including
9-11 reasonable charges for the time spent by employees of the
9-12 municipality or county in connection with the implementation of a
9-13 project plan;

9-14 (F) relocation costs;

9-15 (G) organizational costs, including the costs of
9-16 conducting environmental impact studies or other studies, the cost
9-17 of publicizing the creation of the zone, and the cost of
9-18 implementing the project plan for the zone;

9-19 (H) interest before and during construction and
9-20 for one year after completion of construction, whether or not
9-21 capitalized;

9-22 (I) the cost of operating the reinvestment zone
9-23 and project facilities;

9-24 (J) the amount of any contributions made by the
9-25 municipality or county from general revenue for the implementation
9-26 of the project plan; and

9-27 (K) payments made at the discretion of the
9-28 governing body of the municipality or county that the governing
9-29 body [~~municipality~~] finds necessary or convenient to the creation
9-30 of the zone or to the implementation of the project plans for the
9-31 zone.

9-32 SECTION 31. Sections 311.003 and 311.004, Tax Code, are
9-33 amended to read as follows:

9-34 Sec. 311.003. PROCEDURE FOR CREATING REINVESTMENT ZONE.

9-35 (a) The governing body of a municipality by ordinance or the
9-36 governing body of a county by order may designate a contiguous
9-37 geographic area in the jurisdiction of the municipality or county
9-38 to be a reinvestment zone to promote development or redevelopment
9-39 of the area if the governing body determines that development or
9-40 redevelopment would not occur solely through private investment in
9-41 the reasonably foreseeable future.

9-42 (b) Before adopting an ordinance or order providing for a
9-43 reinvestment zone, the governing body of the municipality or county
9-44 must prepare a preliminary reinvestment zone financing plan. As
9-45 soon as the plan is completed, a copy of the plan must be sent to the
9-46 governing body of each taxing unit that levies taxes on real
9-47 property in the proposed zone.

9-48 (c) Before adopting an ordinance or order providing for a
9-49 reinvestment zone, the municipality or county must hold a public
9-50 hearing on the creation of the zone and its benefits to the
9-51 municipality or county and to property in the proposed zone. At the
9-52 hearing an interested person may speak for or against the creation
9-53 of the zone, its boundaries, or the concept of tax increment
9-54 financing. Not later than the seventh day before the date of the
9-55 hearing, notice of the hearing must be published in a newspaper
9-56 having general circulation in the municipality or county.

9-57 (d) A municipality or county proposing to designate a
9-58 reinvestment zone must provide a reasonable opportunity for the
9-59 owner of property to protest the inclusion of the property in a
9-60 proposed reinvestment zone.

9-61 (e) Not later than the 60th day before the date of the public
9-62 hearing required by Subsection (c), the governing body of the
9-63 municipality or county must notify in writing the governing body of
9-64 each other taxing unit that levies real property taxes in the
9-65 proposed reinvestment zone that it intends to establish the zone.
9-66 The notice must contain a description of the proposed boundaries of
9-67 the zone, the tentative plans for the development or redevelopment
9-68 of the zone, and an estimate of the general impact of the proposed
9-69 zone on property values and tax revenues. The notice may be given

10-1 later than the 60th day before the date of the public hearing if the
10-2 governing body of each municipality, county, and school district,
10-3 other than the municipality or county proposing to designate a
10-4 reinvestment zone, that levies real property taxes in the proposed
10-5 zone agrees to waive the requirement.

10-6 (f) A taxing unit may request additional information from
10-7 the governing body of the municipality or county proposing to
10-8 designate a reinvestment zone. The governing body of the
10-9 municipality or county shall provide the information requested to
10-10 the extent practicable. In addition to the notice required by
10-11 Subsection (e), the governing body of the municipality or county
10-12 proposing to designate a reinvestment zone shall make a formal
10-13 presentation to the governing body of each municipality, county, or
10-14 school district, other than the municipality or county proposing to
10-15 designate the zone, that levies real property taxes in the proposed
10-16 reinvestment zone. The presentation must include a description of
10-17 the proposed boundaries of the zone, the tentative plans for the
10-18 development or redevelopment of the zone, and an estimate of the
10-19 general impact of the proposed zone on property values and tax
10-20 revenues. The governing body of the municipality or county shall
10-21 notify each other taxing unit that levies real property taxes in the
10-22 proposed zone of each presentation to be made to a municipality,
10-23 county, or school district under this subsection. Members of the
10-24 governing body of each taxing unit that levies real property taxes
10-25 in the proposed zone may attend a presentation under this
10-26 subsection. If agreed to by the municipalities, county, or school
10-27 districts involved, the governing body of the municipality or
10-28 county proposing to designate a reinvestment zone may make a single
10-29 presentation to more than one municipal, county, or school district
10-30 governing body.

10-31 (g) Not later than the 15th day after the date on which the
10-32 notice required by Subsection (e) is given, each taxing unit that
10-33 levies real property taxes in the proposed reinvestment zone shall
10-34 designate a representative to meet with the governing body of the
10-35 municipality or county proposing to designate a reinvestment zone
10-36 to discuss the project plan and the reinvestment zone financing
10-37 plan and shall notify the governing body of the municipality or
10-38 county of its designation. At any time after the 15th day after the
10-39 date on which the notice required by Subsection (e) has been given
10-40 to every taxing unit, the governing body of the municipality or
10-41 county proposing to designate a reinvestment zone may call a
10-42 meeting of the representatives of the taxing units. The governing
10-43 body of the municipality or county may call as many meetings as it
10-44 considers necessary. Each representative shall be notified of each
10-45 meeting in advance. At the meetings the governing body of the
10-46 municipality or county and the representatives of the other taxing
10-47 units may discuss the boundaries of the zone, development in the
10-48 zone, the tax increment that each taxing unit will contribute to the
10-49 tax increment fund, the retention by a taxing unit of a portion of
10-50 its tax increment as permitted by Section 311.013, the exclusion of
10-51 particular parcels of property from the zone, the board of
10-52 directors for the zone, and tax collection for the zone. On the
10-53 motion of the governing body of the municipality or county calling
10-54 the meeting, any other matter relevant to the proposed reinvestment
10-55 zone may be discussed.

10-56 Sec. 311.004. CONTENTS OF REINVESTMENT ZONE ORDINANCE OR
10-57 ORDER. (a) The ordinance or order designating an area as a
10-58 reinvestment zone must:

10-59 (1) describe the boundaries of the zone with
10-60 sufficient definiteness to identify with ordinary and reasonable
10-61 certainty the territory included in the zone;

10-62 (2) create a board of directors for the zone and
10-63 specify the number of directors of the board as provided by Section
10-64 311.009 or 311.0091, as applicable;

10-65 (3) provide that the zone take effect immediately upon
10-66 passage of the ordinance or order;

10-67 (4) provide a date for termination of the zone;

10-68 (5) assign a name to the zone for identification, with
10-69 the first zone created by a municipality or county designated as

11-1 "Reinvestment Zone Number One, City (or Town, as applicable) of
11-2 (name of municipality)," or "Reinvestment Zone Number One, (name of
11-3 county) County," as applicable, and subsequently created zones
11-4 assigned names in the same form numbered consecutively in the order
11-5 of their creation;

11-6 (6) establish a tax increment fund for the zone; and

11-7 (7) contain findings that:

11-8 (A) improvements in the zone will significantly
11-9 enhance the value of all the taxable real property in the zone and
11-10 will be of general benefit to the municipality or county; and

11-11 (B) the area meets the requirements of Section
11-12 311.005.

11-13 (b) For purposes of complying with Subsection (a)(7)(A),
11-14 the ordinance or order is not required to identify the specific
11-15 parcels of real property to be enhanced in value.

11-16 (c) To designate a reinvestment zone under Section
11-17 311.005(a)(5), the governing body of a municipality or county must
11-18 specify in the ordinance or order that the reinvestment zone is
11-19 designated under that section.

11-20 SECTION 32. Section 311.005(a), Tax Code, is amended to
11-21 read as follows:

11-22 (a) To be designated as a reinvestment zone, an area must:

11-23 (1) substantially arrest or impair the sound growth of
11-24 the municipality or county creating the zone, retard the provision
11-25 of housing accommodations, or constitute an economic or social
11-26 liability and be a menace to the public health, safety, morals, or
11-27 welfare in its present condition and use because of the presence of:

11-28 (A) a substantial number of substandard, slum,
11-29 deteriorated, or deteriorating structures;

11-30 (B) the predominance of defective or inadequate
11-31 sidewalk or street layout;

11-32 (C) faulty lot layout in relation to size,
11-33 adequacy, accessibility, or usefulness;

11-34 (D) unsanitary or unsafe conditions;

11-35 (E) the deterioration of site or other
11-36 improvements;

11-37 (F) tax or special assessment delinquency
11-38 exceeding the fair value of the land;

11-39 (G) defective or unusual conditions of title; or

11-40 (H) conditions that endanger life or property by
11-41 fire or other cause;

11-42 (2) be predominantly open and, because of obsolete
11-43 platting, deterioration of structures or site improvements, or
11-44 other factors, substantially impair or arrest the sound growth of
11-45 the municipality or county; ~~or~~

11-46 (3) be in a federally assisted new community located
11-47 in the municipality or county or in an area immediately adjacent to
11-48 a federally assisted new community; or

11-49 (5) be an area described in a petition requesting that
11-50 the area be designated as a reinvestment zone, if the petition is
11-51 submitted to the governing body of the municipality or county by the
11-52 owners of property constituting at least 50 percent of the
11-53 appraised value of the property in the area according to the most
11-54 recent certified appraisal roll for the county in which the area is
11-55 located.

11-56 SECTION 33. Section 311.007, Tax Code, is amended to read as
11-57 follows:

11-58 Sec. 311.007. CHANGING BOUNDARIES OF EXISTING ZONE. (a)
11-59 Subject to the limitations provided by Section 311.006, if
11-60 applicable, the boundaries of an existing reinvestment zone may be
11-61 reduced or enlarged by ordinance or resolution of the governing
11-62 body of the municipality or by order or resolution of the governing
11-63 body of the county that created the zone.

11-64 (b) The governing body of the municipality or county may
11-65 enlarge an existing reinvestment zone to include an area described
11-66 in a petition requesting that the area be included in the zone if
11-67 the petition is submitted to the governing body of the municipality
11-68 or county by the owners of property constituting at least 50 percent
11-69 of the appraised value of the property in the area according to the

12-1 most recent certified appraisal roll for the county in which the
12-2 area is located. The composition of the board of directors of the
12-3 zone continues to be governed by Section 311.009(a) or (b),
12-4 whichever applied to the zone immediately before the enlargement of
12-5 the zone, except that the membership of the board must conform to
12-6 the requirements of the applicable subsection of Section 311.009 as
12-7 applied to the zone after its enlargement. The provision of Section
12-8 311.006(b) relating to the amount of property used for residential
12-9 purposes that may be included in the zone does not apply to the
12-10 enlargement of a zone under this subsection.

12-11 SECTION 34. The heading to Section 311.008, Tax Code, is
12-12 amended to read as follows:

12-13 Sec. 311.008. POWERS OF MUNICIPALITY OR COUNTY.

12-14 SECTION 35. Sections 311.008(a), (b), and (d), Tax Code,
12-15 are amended to read as follows:

12-16 (a) In this section, "educational facility" includes
12-17 equipment, real property, and other facilities, including a public
12-18 school building, that are used or intended to be used jointly by the
12-19 municipality or county and an independent school district.

12-20 (b) A municipality or county may exercise any power
12-21 necessary and convenient to carry out this chapter, including the
12-22 power to:

12-23 (1) cause project plans to be prepared, approve and
12-24 implement the plans, and otherwise achieve the purposes of the
12-25 plan;

12-26 (2) acquire real property by purchase, condemnation,
12-27 or other means to implement project plans and sell that property on
12-28 the terms and conditions and in the manner it considers advisable;

12-29 (3) enter into agreements, including agreements with
12-30 bondholders, determined by the governing body of the municipality
12-31 or county to be necessary or convenient to implement project plans
12-32 and achieve their purposes, which agreements may include
12-33 conditions, restrictions, or covenants that run with the land or
12-34 that by other means regulate or restrict the use of land; and

12-35 (4) consistent with the project plan for the zone:

12-36 (A) acquire blighted, deteriorated,
12-37 deteriorating, undeveloped, or inappropriately developed real
12-38 property or other property in a blighted area or in a federally
12-39 assisted new community in the zone for the preservation or
12-40 restoration of historic sites, beautification or conservation, the
12-41 provision of public works or public facilities, or other public
12-42 purposes;

12-43 (B) acquire, construct, reconstruct, or install
12-44 public works, facilities, or sites or other public improvements,
12-45 including utilities, streets, street lights, water and sewer
12-46 facilities, pedestrian malls and walkways, parks, flood and
12-47 drainage facilities, or parking facilities, but not including
12-48 educational facilities; or

12-49 (C) in a reinvestment zone created on or before
12-50 September 1, 1999, acquire, construct, or reconstruct educational
12-51 facilities in the municipality.

12-52 (d) A municipality or county may make available to the
12-53 public on request financial information regarding the acquisition
12-54 by the municipality or county of land in the zone when the
12-55 municipality or county acquires the land.

12-56 SECTION 36. Sections 311.009(a), (b), (e), and (f), Tax
12-57 Code, are amended to read as follows:

12-58 (a) Except as provided by Subsection (b), the board of
12-59 directors of a reinvestment zone consists of at least five and not
12-60 more than 15 members, unless more than 15 members are required to
12-61 satisfy the requirements of this subsection.

12-62 Each taxing unit other than the [a] municipality or county
12-63 that created the zone that levies taxes on real property in the zone
12-64 may appoint one member of the board. A unit may waive its right to
12-65 appoint a director. The governing body of the municipality or
12-66 county that created the zone may appoint not more than 10 directors
12-67 to the board; except that if there are fewer than five directors
12-68 appointed by taxing units other than the municipality or county,
12-69 the governing body of the municipality or county may appoint more

13-1 than 10 members as long as the total membership of the board does
 13-2 not exceed 15.

13-3 (b) If the zone was designated under Section 311.005(a)(5),
 13-4 the board of directors of the zone consists of nine members. Each
 13-5 school district, ~~[or]~~ county, or municipality, other than the
 13-6 municipality or county that created the zone, that levies taxes on
 13-7 real property in the zone may appoint one member of the board if the
 13-8 school district, ~~[or]~~ county, or municipality has approved the
 13-9 payment of all or part of the tax increment produced by the unit.
 13-10 The member of the state senate in whose district the zone is located
 13-11 is a member of the board, and the member of the state house of
 13-12 representatives in whose district the zone is located is a member of
 13-13 the board, except that either may designate another individual to
 13-14 serve in the member's place at the pleasure of the member. If the
 13-15 zone is located in more than one senate or house district, this
 13-16 subsection applies only to the senator or representative in whose
 13-17 district a larger portion of the zone is located than any other
 13-18 senate or house district, as applicable. The remaining members of
 13-19 the board are appointed by the governing body of the municipality or
 13-20 county that created the zone.

13-21 (e) To be eligible for appointment to the board by the
 13-22 governing body of the municipality or county that created the zone,
 13-23 an individual must:

13-24 (1) if the board is covered by Subsection (a):

13-25 (A) be a qualified voter of the municipality or
 13-26 county, as applicable; or

13-27 (B) be at least 18 years of age and own real
 13-28 property in the zone, whether or not the individual resides in the
 13-29 municipality or county; or

13-30 (2) if the board is covered by Subsection (b):

13-31 (A) be at least 18 years of age; and

13-32 (B) own real property in the zone or be an
 13-33 employee or agent of a person that owns real property in the zone.

13-34 (f) Each year the governing body of the municipality or
 13-35 county that created the zone shall appoint one member of the board
 13-36 to serve as chairman for a term of one year that begins on January 1
 13-37 of the following year. The board of directors may elect a
 13-38 vice-chairman to preside in the absence of the chairman or when
 13-39 there is a vacancy in the office of chairman. The board may elect
 13-40 other officers as it considers appropriate.

13-41 SECTION 37. Section 311.010, Tax Code, is amended to read as
 13-42 follows:

13-43 Sec. 311.010. POWERS AND DUTIES OF BOARD OF DIRECTORS. (a)
 13-44 The board of directors of a reinvestment zone shall make
 13-45 recommendations to the governing body of the municipality or county
 13-46 that created the zone concerning the administration of this chapter
 13-47 in the zone. The governing body of the municipality by ordinance or
 13-48 resolution or the county by order or resolution may authorize the
 13-49 board to exercise any of the municipality's or county's powers with
 13-50 respect to the administration, management, or operation of the zone
 13-51 or the implementation of the project plan for the zone, except that
 13-52 the governing body may not authorize the board to:

13-53 (1) issue bonds;

13-54 (2) impose taxes or fees;

13-55 (3) exercise the power of eminent domain; or

13-56 (4) give final approval to the project plan.

13-57 (b) The board of directors of a reinvestment zone and the
 13-58 governing body of the municipality or county that creates a
 13-59 reinvestment zone may each enter into agreements as the board or the
 13-60 governing body considers necessary or convenient to implement the
 13-61 project plan and reinvestment zone financing plan and achieve their
 13-62 purposes. An agreement may provide for the regulation or
 13-63 restriction of the use of land by imposing conditions,
 13-64 restrictions, or covenants that run with the land. An agreement may
 13-65 during the term of the agreement dedicate, pledge, or otherwise
 13-66 provide for the use of revenue in the tax increment fund to pay any
 13-67 project costs that benefit the reinvestment zone, including project
 13-68 costs relating to the cost of buildings, schools, or other
 13-69 educational facilities owned by or on behalf of a school district,

14-1 community college district, or other political subdivision of this
 14-2 state, railroad or transit facilities, affordable housing, the
 14-3 remediation of conditions that contaminate public or private land
 14-4 or buildings, the preservation of the facade of a private or public
 14-5 building, or the demolition of public or private buildings. An
 14-6 agreement may dedicate revenue from the tax increment fund to pay
 14-7 the costs of providing affordable housing or areas of public
 14-8 assembly in or out of the zone. An agreement may dedicate revenue
 14-9 from the tax increment fund to pay a neighborhood enterprise
 14-10 association for providing services or carrying out projects
 14-11 authorized under Subchapters E and G, Chapter 2303, Government
 14-12 Code, in the zone. The term of an agreement with a neighborhood
 14-13 enterprise association may not exceed 10 years.

14-14 (c) Subject to the approval of the governing body of the
 14-15 municipality that created the zone, the board of a zone designated
 14-16 by the governing body of a municipality under Section 311.005(a)(5)
 14-17 may exercise the power granted by Chapter 211, Local Government
 14-18 Code, to the governing body of the municipality that created the
 14-19 zone to restrict the use or uses of property in the zone. The board
 14-20 may provide that a restriction adopted by the board continues in
 14-21 effect after the termination of the zone. In that event, after
 14-22 termination of the zone the restriction is treated as if it had been
 14-23 adopted by the governing body of the municipality.

14-24 (d) The board of directors of a reinvestment zone may
 14-25 exercise any power granted to a municipality or county by Section
 14-26 311.008, except that:

14-27 (1) the municipality or county that created the
 14-28 reinvestment zone by ordinance, ~~or~~ resolution, or order may
 14-29 restrict any power granted to the board by this chapter; and

14-30 (2) the board may exercise a power granted to a
 14-31 municipality or county under Section 311.008(b)(2) [~~311.008(a)(2)~~]
 14-32 only with the consent of the governing body of the municipality or
 14-33 county.

14-34 (e) After the governing body of a municipality by ordinance
 14-35 or the governing body of a county by order creates a reinvestment
 14-36 zone under this chapter, the board of directors of the zone may
 14-37 exercise any power granted to a board under this chapter.

14-38 (f) The board of directors of a reinvestment zone and the
 14-39 governing body of the municipality or county that created the zone
 14-40 may enter into a contract with a local government corporation or a
 14-41 political subdivision to manage the reinvestment zone or implement
 14-42 the project plan and reinvestment zone financing plan for the term
 14-43 of the agreement. In this subsection, "local government
 14-44 corporation" means a local government corporation created by the
 14-45 municipality or county under Chapter 431, Transportation Code.

14-46 SECTION 38. Sections 311.011(a), (b), (d), (e), and (g),
 14-47 Tax Code, are amended to read as follows:

14-48 (a) The board of directors of a reinvestment zone shall
 14-49 prepare and adopt a project plan and a reinvestment zone financing
 14-50 plan for the zone and submit the plans to the governing body of the
 14-51 municipality or county that created the zone. The plans must be as
 14-52 consistent as possible with the preliminary plans developed for the
 14-53 zone before the creation of the board.

14-54 (b) The project plan must include:

14-55 (1) a map showing existing uses and conditions of real
 14-56 property in the zone and a map showing proposed improvements to and
 14-57 proposed uses of that property;

14-58 (2) proposed changes of zoning ordinances, the master
 14-59 plan of the municipality, building codes, ~~and~~ other municipal
 14-60 ordinances, and subdivision rules and regulations, if any, of the
 14-61 county, if applicable;

14-62 (3) a list of estimated nonproject costs; and

14-63 (4) a statement of a method of relocating persons to be
 14-64 displaced as a result of implementing the plan.

14-65 (d) The governing body of the municipality or county that
 14-66 created the zone must approve a project plan or reinvestment zone
 14-67 financing plan after its adoption by the board. The approval must
 14-68 be by ordinance, in the case of a municipality, or by order, in the
 14-69 case of a county, that finds that the plan is feasible and conforms

15-1 to the master plan, if any, of the municipality or to subdivision
15-2 rules and regulations, if any, of the county.

15-3 (e) The board of directors of the zone at any time may adopt
15-4 an amendment to the project plan consistent with the requirements
15-5 and limitations of this chapter. The amendment takes effect on
15-6 approval by the governing body of the municipality or county that
15-7 created the zone. That approval must be by ordinance, in the case
15-8 of a municipality, or by order, in the case of a county. If an
15-9 amendment reduces or increases the geographic area of the zone,
15-10 increases the amount of bonded indebtedness to be incurred,
15-11 increases or decreases the percentage of a tax increment to be
15-12 contributed by a taxing unit, increases the total estimated project
15-13 costs, or designates additional property in the zone to be acquired
15-14 by the municipality or county, the approval must be by ordinance or
15-15 order, as applicable, adopted after a public hearing that satisfies
15-16 the procedural requirements of Sections 311.003(c) and (d).

15-17 (g) An amendment to the project plan or the reinvestment
15-18 zone financing plan for a zone does not apply to a school district
15-19 that participates in the zone unless the governing body of the
15-20 school district by official action approves the amendment, if the
15-21 amendment:

15-22 (1) has the effect of directly or indirectly
15-23 increasing the percentage or amount of the tax increment to be
15-24 contributed by the school district; or

15-25 (2) requires or authorizes the municipality or county
15-26 creating the zone to issue additional tax increment bonds or notes.

15-27 SECTION 39. Sections 311.013(d), (f), and (k), Tax Code,
15-28 are amended to read as follows:

15-29 (d) If the reinvestment zone is created on or after August
15-30 29, 1983, a taxing unit is not required to pay a tax increment into
15-31 the tax increment fund of the zone after three years from the date
15-32 the zone is created unless the following conditions exist or have
15-33 been met within the three-year period:

15-34 (1) bonds have been issued for the zone under Section
15-35 311.015;

15-36 (2) the municipality or county that created the zone
15-37 has acquired property in the zone pursuant to the project plan; or

15-38 (3) construction of improvements pursuant to the
15-39 project plan has begun in the zone.

15-40 (f) A taxing unit is not required to pay into the tax
15-41 increment fund any of its tax increment produced from property
15-42 located in a reinvestment zone designated under Section 311.005(a)
15-43 or in an area added to a reinvestment zone under Section 311.007
15-44 unless the taxing unit enters into an agreement to do so with the
15-45 governing body of the municipality or county that created the zone.
15-46 A taxing unit may enter into an agreement under this subsection at
15-47 any time before or after the zone is created or enlarged. The
15-48 agreement may include conditions for payment of that tax increment
15-49 into the fund and must specify the portion of the tax increment to
15-50 be paid into the fund and the years for which that tax increment is
15-51 to be paid into the fund. The agreement and the conditions in the
15-52 agreement are binding on the taxing unit, the municipality or
15-53 county, and the board of directors of the zone.

15-54 (k) A school district is not required to pay into the tax
15-55 increment fund any of its tax increment produced from property
15-56 located in an area added to the reinvestment zone under Section
15-57 311.007(a) or (b) unless the governing body of the school district
15-58 enters into an agreement to do so with the governing body of the
15-59 municipality or county that created the zone [~~including a~~
15-60 ~~municipality described by Subsection (h)~~]. The governing body of a
15-61 school district may enter into an agreement under this subsection
15-62 at any time before or after the zone is created or enlarged. The
15-63 agreement may include conditions for payment of that tax increment
15-64 into the fund and must specify the portion of the tax increment to
15-65 be paid into the fund and the years for which that tax increment is
15-66 to be paid into the fund. The agreement and the conditions in the
15-67 agreement are binding on the school district, the municipality or
15-68 county, and the board of directors of the zone.

15-69 SECTION 40. Sections 311.014(c) and (d), Tax Code, are

16-1 amended to read as follows:

16-2 (c) Subject to an agreement with the holders of tax
 16-3 increment bonds or notes, money in a tax increment fund may be
 16-4 temporarily invested in the same manner as other funds of the
 16-5 municipality or county that created the zone.

16-6 (d) After all project costs and all tax increment bonds or
 16-7 notes issued for a reinvestment zone have been paid, and subject to
 16-8 any agreement with bondholders, any money remaining in the tax
 16-9 increment fund shall be paid to the municipality or county that
 16-10 created the zone and other taxing units levying taxes on property in
 16-11 the zone in proportion to the municipality's or county's and each
 16-12 other unit's respective share of the total amount of tax increments
 16-13 derived from taxable real property in the zone that were deposited
 16-14 in the fund during the fund's existence.

16-15 SECTION 41. Sections 311.015(a), (b), (c), (e), (f), (g),
 16-16 (i), (j), and (k), Tax Code, are amended to read as follows:

16-17 (a) A municipality or county creating a reinvestment zone
 16-18 may issue tax increment bonds or notes, the proceeds of which may be
 16-19 used to pay project costs for the reinvestment zone on behalf of
 16-20 which the bonds or notes were issued or to satisfy claims of holders
 16-21 of the bonds or notes. The municipality or county may issue
 16-22 refunding bonds or notes for the payment or retirement of tax
 16-23 increment bonds or notes previously issued by it.

16-24 (b) Tax increment bonds and notes are payable, as to both
 16-25 principal and interest, solely from the tax increment fund
 16-26 established for the reinvestment zone. The governing body of the
 16-27 municipality or county may pledge irrevocably all or part of the
 16-28 fund for payment of tax increment bonds or notes. The part of the
 16-29 fund pledged in payment may be used only for the payment of the
 16-30 bonds or notes or interest on the bonds or notes until the bonds or
 16-31 notes have been fully paid. A holder of the bonds or notes or of
 16-32 coupons issued on the bonds has a lien against the fund for payment
 16-33 of the bonds or notes and interest on the bonds or notes and may
 16-34 protect or enforce the lien at law or in equity.

16-35 (c) Tax increment bonds are issued by ordinance of the
 16-36 municipality or by order of the county, as applicable, without any
 16-37 additional approval other than that of the attorney general.

16-38 (e) The issuing municipality or county may provide in the
 16-39 contract with the owners or holders of tax increment bonds that it
 16-40 will pay into the tax increment fund all or any part of the revenue
 16-41 produced or received from the operation or sale of a facility
 16-42 acquired, improved, or constructed pursuant to a project plan, to
 16-43 be used to pay principal and interest on the bonds. If the
 16-44 municipality or county agrees, the owners or holders of tax
 16-45 increment bonds may have a lien or mortgage on a facility acquired,
 16-46 improved, or constructed with the proceeds of the bonds.

16-47 (f) Tax increment bonds may be issued in one or more series.
 16-48 The ordinance or order, as applicable, approving a tax increment
 16-49 bond or note, or the trust indenture or mortgage issued in
 16-50 connection with the bond or note, shall provide:

- 16-51 (1) the date that the bond or note bears;
- 16-52 (2) that the bond or note is payable on demand or at a
 16-53 specified time;
- 16-54 (3) the interest rate that the bond or note bears;
- 16-55 (4) the denomination of the bond or note;
- 16-56 (5) whether the bond or note is in coupon or registered
 16-57 form;
- 16-58 (6) the conversion or registration privileges of the
 16-59 bond or note;
- 16-60 (7) the rank or priority of the bond or note;
- 16-61 (8) the manner of execution of the bond or note;
- 16-62 (9) the medium of payment in which and the place or
 16-63 places at which the bond or note is payable;
- 16-64 (10) the terms of redemption, with or without premium,
 16-65 to which the bond or note is subject;
- 16-66 (11) the manner in which the bond or note is secured;
- 16-67 and
- 16-68 (12) any other characteristic of the bond or note.

16-69 (g) A bond or note issued under this chapter is fully

negotiable. In a suit, action, or other proceeding involving the validity or enforceability of a bond or note issued under this chapter or the security of a bond or note issued under this chapter, if the bond or note recites in substance that it was issued by the municipality or county for a reinvestment zone, the bond or note is conclusively deemed to have been issued for that purpose, and the development or redevelopment of the zone is conclusively deemed to have been planned, located, and carried out as provided by this chapter.

(i) A tax increment bond or note is not a general obligation of the municipality or county issuing the bond or note. A tax increment bond or note does not give rise to a charge against the general credit or taxing powers of the municipality or county and is not payable except as provided by this chapter. A tax increment bond or note issued under this chapter must state the restrictions of this subsection on its face.

(j) A tax increment bond or note may not be included in any computation of the debt of the issuing municipality or county.

(k) A municipality or county may not issue tax increment bonds or notes in an amount that exceeds the total cost of implementing the project plan for the reinvestment zone for which the bonds or notes are issued.

SECTION 42. Sections 311.016 and 311.017, Tax Code, are amended to read as follows:

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

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

(2) the amount and purpose of expenditures from the fund;

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

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

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

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

(1) the attorney general; and

(2) the comptroller.

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

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

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

(b) The tax increment pledged to the payment of bonds and interest on the bonds may be discharged and the reinvestment zone may be terminated if the municipality or county that created the zone deposits or causes to be deposited with a trustee or other escrow agent authorized by law funds in an amount that, together with the interest on the investment of the funds in direct obligations of the United States, will be sufficient to pay the principal of, premium, if any, and interest on all bonds issued on behalf of the reinvestment zone at maturity or at the date fixed for redemption of the bonds, and to pay any other amounts that may become due, including compensation due or to become due to the trustee or escrow agent.

SECTION 43. Sections 311.019(b) and (c), Tax Code, are

18-1 amended to read as follows:

18-2 (b) A municipality or county that designates a reinvestment
18-3 zone or approves a project plan or reinvestment zone financing plan
18-4 under this chapter shall deliver to the comptroller before April 1
18-5 of the year following the year in which the zone is designated or
18-6 the plan is approved a report containing:

- 18-7 (1) a general description of each zone, including:
- 18-8 (A) the size of the zone;
- 18-9 (B) the types of property located in the zone;
- 18-10 (C) the duration of the zone; and
- 18-11 (D) the guidelines and criteria established for

18-12 the zone under Section 311.005;

18-13 (2) a copy of each project plan or reinvestment zone
18-14 financing plan adopted; and

18-15 (3) any other information required by the comptroller
18-16 to administer this section and Subchapter F, Chapter 111.

18-17 (c) A municipality or county that amends or modifies a
18-18 project plan or reinvestment zone financing plan adopted under this
18-19 chapter shall deliver a copy of the amendment or modification to the
18-20 comptroller before April 1 of the year following the year in which
18-21 the plan was amended or modified.

18-22 SECTION 44. Section 311.020, Tax Code, is amended to read as
18-23 follows:

18-24 Sec. 311.020. STATE ASSISTANCE. (a) On request of the
18-25 governing body of a municipality or county or of the presiding
18-26 officer of the governing body, the comptroller may provide
18-27 assistance to a municipality or county relating to the
18-28 administration of this chapter.

18-29 (b) The Texas Department of Economic Development and the
18-30 comptroller may provide technical assistance to a municipality or
18-31 county regarding:

18-32 (1) the designation of reinvestment zones under this
18-33 chapter; and

18-34 (2) the adoption and execution of project plans or
18-35 reinvestment zone financing plans under this chapter.

18-36 SECTION 45. Section 281.0461, Health and Safety Code,
18-37 Section 83.004(b), Local Government Code, and Section 21.013(c),
18-38 Property Code, are repealed.

18-39 SECTION 46. The changes in law made by this Act to the Code
18-40 of Criminal Procedure apply only to an offense committed on or after
18-41 the effective date of this Act. An offense committed before the
18-42 effective date of this Act is covered by the law in effect when the
18-43 offense was committed, and the former law is continued in effect for
18-44 that purpose. For the purposes of this section, an offense is
18-45 committed before the effective date of this Act if any element of
18-46 the offense occurs before that date.

18-47 SECTION 47. The change in law made by this Act:

18-48 (1) to Sections 83.002 and 83.004(a), Local Government
18-49 Code, applies only to a county treasurer whose term begins on or
18-50 after the effective date of this Act; and

18-51 (2) to Section 83.004(c), Local Government Code,
18-52 applies only to a county treasurer who enters upon the discharge of
18-53 the duties of office on or after the effective date of this Act.

18-54 SECTION 48. Section 21.013, Property Code, as amended by
18-55 this Act, applies only to a proceeding initiated on or after the
18-56 effective date of this Act. A proceeding initiated before the
18-57 effective date of this Act is governed by the law that existed when
18-58 that proceeding was initiated, and the former law is continued in
18-59 effect for that purpose.

18-60 SECTION 49. (a) Except as provided by Subsection (b) of
18-61 this section, this Act takes effect September 1, 2005.

18-62 (b) The provisions of this Act amending Chapter 311, Tax
18-63 Code, take effect on the date on which the constitutional amendment
18-64 proposed by S.J.R. No. 44 takes effect. If that amendment is not
18-65 approved by the voters, those provisions have no effect.

18-66 * * * * *