

1 AN ACT

2 relating to the creation of the Harris County Improvement District
3 No. 7; providing authority to impose a tax and issue bonds.

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

5 SECTION 1. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 7.
6 Subtitle C, Title 4, Special District Local Laws Code, is amended by
7 adding Chapter 3844 to read as follows:

8 CHAPTER 3844. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 7

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3844.001. DEFINITIONS. In this chapter:

11 (1) "Board" means the board of directors of the
12 district.

13 (2) "District" means the Harris County Improvement
14 District No. 7.

15 Sec. 3844.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 7. A
16 special district known as the "Harris County Improvement District
17 No. 7" is a governmental agency and political subdivision of this
18 state.

19 Sec. 3844.003. PURPOSE; DECLARATION OF INTENT. (a) The
20 creation of the district is essential to accomplish the purposes of
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
22 Texas Constitution, and other public purposes stated in this
23 chapter. By creating the district and in authorizing Harris
24 County, the City of Houston, and other political subdivisions to

1 contract with the district, the legislature has established a
2 program to accomplish the public purposes set out in Section 52-a,
3 Article III, Texas Constitution.

4 (b) The creation of the district is necessary to promote,
5 develop, encourage, and maintain employment, commerce,
6 transportation, housing, tourism, recreation, the arts,
7 entertainment, economic development, safety, and the public
8 welfare in the area of the district.

9 (c) This chapter and the creation of the district may not be
10 interpreted to relieve Harris County or the City of Houston from
11 providing the level of services provided as of September 1, 2005, to
12 the area in the district or to release the county or the city from
13 the obligations of each entity to provide services to that area.
14 The district is created to supplement and not to supplant the county
15 or city services provided in the area in the district.

16 Sec. 3844.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
17 The district is created to serve a public use and benefit.

18 (b) All land and other property included in the district
19 will benefit from the improvements and services to be provided by
20 the district under powers conferred by Sections 52 and 52-a,
21 Article III, and Section 59, Article XVI, Texas Constitution, and
22 other powers granted under this chapter.

23 (c) Each improvement project or service authorized by this
24 chapter is essential to carry out a public purpose.

25 (d) The creation of the district is in the public interest
26 and is essential to:

27 (1) further the public purposes of developing and

1 diversifying the economy of the state;

2 (2) eliminate unemployment and underemployment; and

3 (3) develop or expand transportation and commerce.

4 (e) The district will:

5 (1) promote the health, safety, and general welfare of
6 residents, employers, employees, visitors, and consumers in the
7 district, and of the public;

8 (2) provide needed funding for the district to
9 preserve, maintain, and enhance the economic health and vitality of
10 the area as a community and business center;

11 (3) promote the health, safety, welfare, and enjoyment
12 of the public by providing public art and pedestrian ways and by
13 landscaping and developing certain areas in the district, which are
14 necessary for the restoration, preservation, and enhancement of
15 scenic and aesthetic beauty;

16 (4) promote and benefit commercial development and
17 commercial areas in the district; and

18 (5) promote and develop public transportation and
19 pedestrian facilities and systems using new and alternative means
20 that are attractive, safe, and convenient, including securing
21 expanded and improved transportation and pedestrian facilities and
22 systems, to:

23 (A) address the problem of traffic congestion in
24 the district, the need to control traffic and improve pedestrian
25 safety, and the limited availability of money; and

26 (B) benefit the land and other property in the
27 district and the residents, employers, employees, visitors, and

1 consumers in the district and the public.

2 (f) Pedestrian ways along or across a street, whether at
3 grade or above or below the surface, and street lighting, street
4 landscaping, and street art objects are parts of and necessary
5 components of a street and are considered to be a street or road
6 improvement.

7 (g) The district will not act as the agent or
8 instrumentality of any private interest even though the district
9 will benefit many private interests as well as the public.

10 Sec. 3844.005. DISTRICT TERRITORY. (a) The district is
11 composed of the territory described by Section 2 of the Act enacting
12 this chapter, as that territory may have been modified under:

13 (1) Section 3844.105;

14 (2) Subchapter J, Chapter 49, Water Code; or

15 (3) other law.

16 (b) The boundaries and field notes of the district contained
17 in Section 2 of this Act form a closure. A mistake in the field
18 notes or in copying the field notes in the legislative process does
19 not in any way affect:

20 (1) the district's organization, existence, and
21 validity;

22 (2) the district's right to issue any type of bond,
23 including a refunding bond, for a purpose for which the district is
24 created or to pay the principal of and interest on the bond;

25 (3) the district's right to impose and collect an
26 assessment or tax; or

27 (4) the legality or operation of the district or the

1 board.

2 (c) A description of the district's boundaries shall be
3 filed with the Texas Commission on Environmental Quality. The
4 commission by order may correct a mistake in the description of the
5 district's boundaries.

6 Sec. 3844.006. TORT LIABILITY. The district is a
7 governmental unit under Chapter 101, Civil Practice and Remedies
8 Code, and the operations of the district are essential government
9 functions and are not proprietary functions for any purpose,
10 including the application of Chapter 101, Civil Practice and
11 Remedies Code.

12 Sec. 3844.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or
13 any part of the area of the district is eligible to be included in a
14 tax increment reinvestment zone created by the City of Houston
15 under Chapter 311, Tax Code.

16 Sec. 3844.008. LIBERAL CONSTRUCTION OF CHAPTER. This
17 chapter shall be liberally construed in conformity with the
18 findings and purposes stated in this chapter.

19 [Sections 3844.009-3844.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 3844.051. BOARD OF DIRECTORS; TERMS. (a) The
22 district is governed by a board of 11 directors who serve staggered
23 terms of four years with five or six directors' terms expiring June
24 1 of each odd-numbered year.

25 (b) The board by resolution may increase or decrease the
26 number of directors on the board, but only if a majority of the
27 board finds that it is in the best interest of the district to do so.

1 The board may not:

2 (1) increase the number of directors to more than 15;

3 or

4 (2) decrease the number of directors to fewer than
5 five.

6 (c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and
7 49.060, Water Code, apply to the board.

8 (d) Subchapter D, Chapter 375, Local Government Code,
9 applies to the board to the extent that subchapter does not conflict
10 with this chapter.

11 Sec. 3844.052. APPOINTMENT OF DIRECTORS ON INCREASE IN
12 BOARD SIZE. If the board increases the number of directors under
13 Section 3844.051, the board shall appoint qualified persons to fill
14 the new director positions and shall provide for staggering the
15 terms of the directors serving in the new positions. On expiration
16 of the term of a director appointed under this section, a succeeding
17 director shall be appointed and qualified as provided by Subchapter
18 D, Chapter 375, Local Government Code.

19 Sec. 3844.053. INITIAL DIRECTORS. (a) The initial board
20 consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
21		
22	<u>1</u>	<u>Keith Wade</u>
23	<u>2</u>	<u>Karen Domino</u>
24	<u>3</u>	<u>William Taylor</u>
25	<u>4</u>	<u>Sadie Rucker</u>
26	<u>5</u>	<u>Jackie Martin</u>
27	<u>6</u>	<u>Elmo Johnson</u>

1	<u>7</u>	<u>June Deadrick</u>
2	<u>8</u>	<u>Todd Triggs</u>
3	<u>9</u>	<u>Peter Grimm</u>
4	<u>10</u>	<u>Milton Wilson</u>
5	<u>11</u>	<u>Ernie Etuk</u>

6 (b) Of the initial directors, the terms of directors
7 appointed for positions 1 through 6 expire June 1, 2009, and the
8 terms of directors appointed for positions 7 through 11 expire June
9 1, 2007.

10 (c) Section 3844.051 does not apply to this section.

11 (d) This section expires September 1, 2009.

12 [Sections 3844.054-3844.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 3844.101. DISTRICT POWERS. The district has:

15 (1) all powers necessary to accomplish the purposes
16 for which the district was created;

17 (2) the rights, powers, privileges, authority, and
18 functions of a district created under Chapter 375, Local Government
19 Code;

20 (3) the powers, duties, and contracting authority
21 specified by Subchapters H and I, Chapter 49, Water Code;

22 (4) the powers given to a corporation under Section
23 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's
24 Texas Civil Statutes), including the power to own, operate,
25 acquire, construct, lease, improve, and maintain the projects
26 described by that section; and

27 (5) the powers of a housing finance corporation

1 created under Chapter 394, Local Government Code.

2 Sec. 3844.102. NONPROFIT CORPORATION. (a) The board by
3 resolution may authorize the creation of a nonprofit corporation to
4 assist and act for the district in implementing a project or
5 providing a service authorized by this chapter.

6 (b) The nonprofit corporation:

7 (1) has each power of and is considered for purposes of
8 this chapter to be a local government corporation created under
9 Chapter 431, Transportation Code; and

10 (2) may implement any project and provide any service
11 authorized by this chapter.

12 (c) The board shall appoint the board of directors of the
13 nonprofit corporation. The board of directors of the nonprofit
14 corporation shall serve in the same manner as, for the same term as,
15 and on the same conditions as the board of directors of a local
16 government corporation created under Chapter 431, Transportation
17 Code.

18 Sec. 3844.103. ELECTIONS. (a) District elections must be
19 held in the manner provided by Subchapter L, Chapter 375, Local
20 Government Code.

21 (b) The board may submit multiple purposes in a single
22 proposition at an election.

23 Sec. 3844.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY
24 SERVICES. The district may contract with:

25 (1) Harris County or the City of Houston for the county
26 or city to provide law enforcement and security services for a fee;
27 and

1 (2) a private entity for the private entity to provide
2 supplemental security services.

3 Sec. 3844.105. ANNEXATION OR EXCLUSION OF TERRITORY. The
4 district may annex or exclude land from the district in the manner
5 provided by Subchapter C, Chapter 375, Local Government Code.

6 Sec. 3844.106. NO EMINENT DOMAIN POWER. The district may
7 not exercise the power of eminent domain.

8 [Sections 3844.107-3844.150 reserved for expansion]

9 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

10 Sec. 3844.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

11 (a) The district may acquire, lease as lessor or lessee, construct,
12 develop, own, operate, and maintain a public transit system to
13 serve the area within the boundaries of the district.

14 (b) Before the district may act under Subsection (a), a
15 petition must be filed with the district requesting the action with
16 regard to a public transit system. The petition must be signed by
17 owners of property representing a majority of either the total
18 assessed value or the area of the real property in the district that
19 abuts the right-of-way in which the public transit system is
20 proposed to be located. The determination of a majority is based on
21 the property owners along the entire right-of-way of the proposed
22 transit project and may not be calculated on a block-by-block
23 basis.

24 Sec. 3844.152. PARKING FACILITIES AUTHORIZED; OPERATION BY
25 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease
26 as lessor or lessee, construct, develop, own, operate, and maintain
27 parking facilities, including:

1 (1) lots, garages, parking terminals, or other
2 structures or accommodations for the parking of motor vehicles; and

3 (2) equipment, entrances, exits, fencing, and other
4 accessories necessary for safety and convenience in the parking of
5 vehicles.

6 (b) A parking facility of the district must be either leased
7 to or operated on behalf of the district by a private entity or an
8 entity other than the district. The district's parking facilities
9 are a program authorized by the legislature under Section 52-a,
10 Article III, Texas Constitution, and accomplish a public purpose
11 under that section even if leased or operated by a private entity
12 for a term of years.

13 (c) The district's public parking facilities and any lease
14 to a private entity are exempt from the payment of ad valorem taxes
15 and state and local sales and use taxes.

16 Sec. 3844.153. RULES. The district may adopt rules
17 covering its public transit system or its public parking facilities
18 except that a rule relating to or affecting the use of the public
19 right-of-way or a requirement for off-street parking is subject to
20 all applicable municipal charter, code, or ordinance requirements.

21 Sec. 3844.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
22 PARKING FACILITIES. (a) The district may use any of its resources,
23 including revenue, assessments, taxes, and grant or contract
24 proceeds, to pay the cost of acquiring and operating a public
25 transit system or public parking facilities.

26 (b) The district may set and impose fees, charges, or tolls
27 for the use of the public transit system or the public parking

1 facilities and may issue bonds or notes to finance the cost of these
2 facilities.

3 (c) Except as provided by Section 3844.151, if the district
4 pays for or finances the cost of acquiring or operating a public
5 transit system or public parking facilities with resources other
6 than assessments, a petition of property owners or a public hearing
7 is not required.

8 Sec. 3844.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING
9 UNIT. If the district's acquisition of property for a parking
10 facility that is leased to or operated by a private entity results
11 in the removal from a taxing unit's tax rolls of real property
12 otherwise subject to ad valorem taxation, the district shall pay to
13 the taxing unit in which the property is located, on or before
14 January 1 of each year, as a payment in lieu of taxes, an amount
15 equal to the ad valorem taxes that otherwise would have been imposed
16 for the preceding tax year on that real property by the taxing unit,
17 without including the value of any improvements constructed on the
18 property.

19 [Sections 3844.156-3844.200 reserved for expansion]

20 SUBCHAPTER E. FINANCIAL PROVISIONS

21 Sec. 3844.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM
22 TAXES, AND IMPACT FEES. The district may impose, assess, charge, or
23 collect an assessment, an ad valorem tax, an impact fee, or another
24 fee in accordance with Chapter 49, Water Code, for a purpose
25 specified by Chapter 375, Local Government Code, or as needed to
26 exercise a power or function or to accomplish a purpose or duty for
27 which the district was created.

1 Sec. 3844.202. MAINTENANCE TAX. (a) If authorized at an
2 election held in accordance with Section 3844.103, the district may
3 impose an annual ad valorem tax on taxable property in the district
4 to maintain, restore, replace, or operate the district and
5 improvements that the district constructs or acquires or the
6 district's facilities, works, or services.

7 (b) The board shall determine the tax rate.

8 Sec. 3844.203. ASSESSMENT IN PART OF DISTRICT. An
9 assessment may be imposed on only a part of the district if only
10 that part will benefit from the service or improvement.

11 Sec. 3844.204. PETITION REQUIRED FOR ASSESSMENT AND FOR
12 FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose
13 an assessment or finance a service or improvement project under
14 this chapter unless a written petition requesting the improvement
15 or service has been filed with the board.

16 (b) The petition must be signed by:

17 (1) the owners of a majority of the assessed value of
18 real property in the district or in the area of the district that
19 will be subject to the assessment as determined by the most recent
20 certified tax appraisal roll for Harris County; or

21 (2) at least 25 persons who own real property in the
22 district or the area of the district that will be subject to the
23 assessment, if more than 25 persons own real property in the
24 district or area that will be subject to the assessment as
25 determined by the most recent certified tax appraisal roll for
26 Harris County.

27 Sec. 3844.205. ASSESSMENTS CONSIDERED TAXES. For purposes

1 of a title insurance policy issued under Chapter 9, Insurance Code,
2 an assessment is a tax.

3 Sec. 3844.206. LIENS FOR ASSESSMENTS; SUITS TO RECOVER
4 ASSESSMENTS. (a) An assessment imposed on property under this
5 chapter is a personal obligation of the person who owns the property
6 on January 1 of the year for which the assessment is imposed. If the
7 person transfers title to the property, the person is not relieved
8 of the obligation.

9 (b) On January 1 of the year for which an assessment is
10 imposed on a property, a lien attaches to the property to secure the
11 payment of the assessment and any interest accrued on the
12 assessment. The lien has the same priority as a lien for district
13 taxes.

14 (c) Not later than the fourth anniversary of the date on
15 which a delinquent assessment became due, the district may file
16 suit to foreclose the lien or to enforce the obligation for the
17 assessment, or both, and for any interest accrued.

18 (d) In addition to recovering the amount of the assessment
19 and any accrued interest, the district may recover reasonable
20 costs, including attorney's fees, that the district incurs in
21 foreclosing the lien or enforcing the obligation. The costs may not
22 exceed an amount equal to 20 percent of the assessment and interest.

23 (e) If the district does not file a suit in connection with a
24 delinquent assessment on or before the last date on which the
25 district may file suit under Subsection (c), the assessment and any
26 interest accrued is considered paid.

27 Sec. 3844.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM

1 ASSESSMENT AND IMPACT FEES. The district may not impose an impact
2 fee or assessment on the property, including equipment or
3 facilities, of:

4 (1) an electric utility as defined by Section 31.002,
5 Utilities Code;

6 (2) a gas utility as defined by Section 101.003 or
7 121.001, Utilities Code;

8 (3) a telecommunications provider as defined by
9 Section 51.002, Utilities Code; or

10 (4) a cable operator as defined by 47 U.S.C. Section
11 522, as amended.

12 Sec. 3844.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The
13 district may impose an assessment to pay the cost of:

14 (1) burying or removing electrical power lines,
15 telephone lines, cable or fiber optic lines, or any other type of
16 electrical or optical line;

17 (2) removing poles and any elevated lines using the
18 poles; and

19 (3) reconnecting the lines described by Subdivision
20 (2) to the buildings or other improvements to which the lines were
21 connected.

22 (b) The district may acquire, operate, or charge fees for
23 the use of the district conduits for:

24 (1) another person's:

25 (A) telecommunications network;

26 (B) fiber-optic cable; or

27 (C) electronic transmission line; or

1 (2) any other type of transmission line or supporting
2 facility.

3 (c) The district may not require a person to use a district
4 conduit.

5 Sec. 3844.209. DEBT. The district may issue bonds, notes,
6 or other debt obligations in accordance with Subchapters I and J,
7 Chapter 375, Local Government Code, for a purpose specified by that
8 chapter or as required to exercise a power or function or to
9 accomplish a purpose or duty for which the district was created.

10 [Sections 3844.210-3844.250 reserved for expansion]

11 SUBCHAPTER F. DISSOLUTION

12 Sec. 3844.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING
13 DEBT. (a) The district may be dissolved as provided by Subchapter
14 M, Chapter 375, Local Government Code, except that Section 375.264,
15 Local Government Code, does not apply to the district.

16 (b) If the district has debt when it is dissolved, the
17 district shall remain in existence solely for the purpose of
18 discharging its bonds or other obligations according to their
19 terms.

20 SECTION 2. BOUNDARIES. As of the effective date of this
21 Act, the Harris County Improvement District No. 7 includes all
22 territory contained in the following described area:

23 UNLESS otherwise specified, the boundaries of this district will
24 travel along the centerline of each street included, and each
25 intersection will be the intersection of the centerlines of the
26 streets mentioned.

27 BEGINNING at the intersection of Heiner Street with Allen Parkway.

1 Then in a westerly direction along Allen Parkway to its
2 intersection with Montrose Boulevard.
3 Then in a southerly direction along Montrose Boulevard to its
4 intersection with West Dallas Street.
5 Then in an easterly direction along West Dallas Street to its
6 intersection with Taft Street.
7 Then in a southerly direction along Taft Street to its intersection
8 with Welch Avenue.
9 Then in an easterly direction along Welch Avenue to its
10 intersection with Genesee Street and Dennis Avenue.
11 Then in a northerly direction along Genesee Street to its
12 intersection with Sutton.
13 Then in an easterly direction along Sutton to its intersection with
14 Bailey Street.
15 Then in a northerly direction along Bailey Street to its
16 intersection with West Webster Avenue.
17 Then in an easterly direction along West Webster Avenue to its
18 intersection with Webster Avenue.
19 Then in a northwesterly direction along Webster Avenue to its
20 intersection with West Gray Avenue.
21 Then in an easterly and southeasterly direction along West Gray
22 Avenue to its intersection with Baldwin Street.
23 Then in a northeasterly direction along Baldwin Street to its
24 intersection with St. Joseph.
25 Then in a northwesterly direction along St. Joseph to the southerly
26 dead end of Arthur Street.
27 Then in a northerly direction along Arthur Street to its

1 intersection with Cleveland Street.

2 Then in an easterly direction along Cleveland Street to its
3 intersection with Heiner Street.

4 Then in a northerly direction along Heiner Street to the POINT OF
5 BEGINNING.

6 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
7 that:

8 (1) proper and legal notice of the intention to
9 introduce this Act, setting forth the general substance of this
10 Act, has been published as provided by law, and the notice and a
11 copy of this Act have been furnished to all persons, agencies,
12 officials, or entities to which they are required to be furnished by
13 the constitution and laws of this state, including the governor,
14 who has submitted the notice and Act to the Texas Commission on
15 Environmental Quality;

16 (2) the Texas Commission on Environmental Quality has
17 filed its recommendations relating to this Act with the governor,
18 lieutenant governor, and speaker of the house of representatives
19 within the required time;

20 (3) the general law relating to consent by political
21 subdivisions to the creation of districts with conservation,
22 reclamation, and road powers and the inclusion of land in those
23 districts has been complied with; and

24 (4) all requirements of the constitution and laws of
25 this state and the rules and procedures of the legislature with
26 respect to the notice, introduction, and passage of this Act have
27 been fulfilled and accomplished.

1 SECTION 4. EFFECTIVE DATE. This Act takes effect
2 immediately if it receives a vote of two-thirds of all the members
3 elected to each house, as provided by Section 39, Article III, Texas
4 Constitution. If this Act does not receive the vote necessary for
5 immediate effect, this Act takes effect September 1, 2005.

H.B. No. 3517

President of the Senate

Speaker of the House

I certify that H.B. No. 3517 was passed by the House on May 13, 2005, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3517 was passed by the Senate on May 21, 2005, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor