

By: Howard

H.B. No. 3554

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Imperial Redevelopment District; providing authority to impose taxes and standby fees and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter \_\_\_\_ to read as follows:

CHAPTER \_\_\_\_ . IMPERIAL REDEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. \_\_\_\_ .001. DEFINITIONS. In this Chapter:

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

(2) "City" means the City of Sugar Land, Texas.

(3) "District" means Imperial Redevelopment District.

Sec. \_\_\_\_ .002. CREATION OF DISTRICT. Imperial Redevelopment District is created as a special district under Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. \_\_\_\_ .003. DECLARATION OF INTENT. The creation of the district is essential to accomplish the purposes of Section 52, Article III, Section 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this Act.

Sec. \_\_\_\_ .004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of territory described by Section 2

1 of the Act creating this chapter.

2 (b) The boundaries and field notes of the district form a  
3 closure. A mistake in the field notes or in copying the field notes  
4 in the legislative process does not in any way affect the  
5 district's:

6 (1) organization, existence, or validity;

7 (2) right to issue any type of bond for the purposes  
8 for which the district is created or to pay the principal of and  
9 interest on a bond;

10 (3) right to impose or collect an assessment or tax; or

11 (4) legality or operation.

12 Sec. \_\_\_\_ .005. APPLICABILITY OF OTHER LAW. (a) Except as  
13 otherwise provided by this Chapter, Chapters 49 and 54, Water Code,  
14 apply to the district.

15 (b) Chapter 311, Government Code (Code Construction Act),  
16 applies to this Act.

17 (c) Chapter 1471, Government Code, does not apply to the  
18 district.

19 Sec. \_\_\_\_ .006. CONSTRUCTION OF ACT. (a) This Act shall be  
20 liberally construed in conformity with the findings and purposes  
21 set forth in this Act.

22 (b) If any provision of the general law conflicts with this  
23 Act, this Act prevails.

24 (c) If any provision of the general law conflicts with  
25 Chapters 49 and 54, Water Code, Chapters 49 and 54, Water Code  
26 prevail.

27 SUBCHAPTER B. BOARD OF DIRECTORS

1       Sec. \_\_\_\_ .051. BOARD OF DIRECTORS. The district is governed  
2 by a board of five directors.

3       Sec. \_\_\_\_ .052. APPOINTMENT. (a) The governing body of the  
4 city shall appoint the directors to the board.

5       (b) The initial directors to the board shall be appointed by  
6 the governing body of the city not later than 60 days following the  
7 date on which the city grants consent to the creation of the  
8 district.

9       (c) Sections 375.063, Local Government, and 49.052 Water  
10 Code, do not apply to directors of the district.

11       Sec. \_\_\_\_ .053. TERMS. (a) Of the initial directors, the  
12 terms of two directors will expire on September 1, 2010, and the  
13 terms of three directors will expire on September 1, 2012.

14       (b) Except for the terms of office of the initial directors  
15 described in subsection (a), the directors will serve four year  
16 terms.

17       Sec. \_\_\_\_ .054. VACANCIES. (a) The board shall notify the  
18 City promptly in writing of any vacancy in the position of a  
19 director. A vacancy on the board shall be filled by appointment of  
20 the governing body of the city for the remainder of the unexpired  
21 term.

22       (b) In the event the governing body of the city fails to fill  
23 a vacancy on the board within 90 days receipt of written notice of a  
24 vacancy, a vacancy on the board shall be filled either by the  
25 remaining directors if a majority of the board remains in office or  
26 as provided by Section 49.105, Water Code, if less than a majority  
27 remains in office.

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. \_\_\_\_ .101. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

3 All land and other property included in the district will benefit  
4 from the improvements and services to be provided by the district  
5 under powers conferred by Sections 52, Article III, Section 52-a,  
6 Article III and Section 59, Article XVI, Texas Constitution, and  
7 other powers granted under this Act.

8           (b) The district is created for the following purposes:

9                   (1) the purposes of a municipal utility district as  
10 provided pursuant to Section 54.012, Water Code;

11                   (2) the purposes of road utility districts created  
12 pursuant to Section 52, Article III, Texas Constitution, and  
13 operating pursuant to Chapter 441, Transportation Code, including  
14 the purpose of constructing, acquiring, improving, maintaining and  
15 operating road and road facilities as defined in Chapter 441,  
16 Transportation Code;

17                   (3) the purchase, construction, acquisition,  
18 ownership, improvement, maintenance and operation of the public  
19 works and public improvements authorized for a tax increment  
20 reinvestment zone operating pursuant to Chapter 311, Tax Code, and  
21 a municipal management district operating pursuant to Chapter 375,  
22 Local Government Code.

23           Sec. \_\_\_\_ .102. POWERS OF DISTRICT. (a) The district shall  
24 have the functions, powers, authority, rights and duties which will  
25 permit accomplishment of the purposes for which it was created.

26           (b) The district shall have all of the rights, powers,  
27 privileges, authority and functions, specifically including but

1 not limited to those relating to the levying of taxes, issuance of  
2 bonds, imposition of standby fees, and exercise of the power of  
3 eminent domain, conferred by the general laws of this state  
4 applicable to municipal utility districts created under Article  
5 XVI, Section 59, of the Texas Constitution, including those  
6 conferred by Chapters 49 and 54, Water Code.

7 Sec. \_\_\_\_ .103. SPECIFIC ROAD POWERS OF DISTRICT. (a) The  
8 district may purchase, construct, acquire, own, operate, maintain,  
9 improve or extend inside and outside its boundaries roads and road  
10 facilities as defined in Chapter 441, Transportation Code, as  
11 authorized by Section 52, Article III, of the Texas Constitution.

12 (b) In accordance with Article III, Section 52, of the Texas  
13 Constitution, the district has the power and authority to issue  
14 bonds, notes, and other obligations or otherwise lend its credit  
15 and levy and collect taxes to pay the interest thereon and provide a  
16 sinking fund for the redemption thereof for the construction,  
17 purchase, maintenance and operation of roads and road facilities.  
18 The total amount of bonds issued for such purpose may not exceed  
19 one-fourth of the assessed market value of real property of the  
20 district as determined by chief appraiser of the appraisal district  
21 that appraises property for the district.

22 (c) The roads and road facilities may include drainage,  
23 landscaping and pedestrian improvements and lights, signs, or  
24 signals that are incidental thereto and their construction,  
25 maintenance, or operation.

26 (d) The roads and road facilities authorized by this section  
27 must meet all applicable construction standards, zoning and

1 subdivision requirements, and regulatory ordinances of the city.

2 (e) On completion of a road or road facility authorized by  
3 this section, the district, with the consent of the city, may convey  
4 that road or road facility to the city, provided the conveyance is  
5 free of all indebtedness of the district and other encumbrances and  
6 restrictions not specifically approved by the city. If the city  
7 becomes the owner of a road or road facility, the city is  
8 responsible for all future maintenance and upkeep, and the district  
9 has no further responsibility for the road or road facility or its  
10 maintenance or upkeep, unless otherwise agreed to by the district  
11 and the city.

12 (f) A district may contract with a state agency, political  
13 subdivision, or corporation created under Chapter 431,  
14 Transportation Code, for a joint road or road facility. The  
15 district may issue bonds to pay all or part of the costs of the road  
16 or road facility and any other payments required pursuant to the  
17 contract. A contract may be a contract under Section 49.108, Water  
18 Code. The contract may:

19 (1) provide for joint payment of the costs of the road  
20 or road facility; and

21 (2) require the state agency, political subdivision,  
22 or corporation to design, construct, or improve a road or road  
23 facility as provided by the contract.

24 (g) The district may agree to:

25 (1) reimburse a private person for money spent to  
26 construct a road or road facility that has been or will be dedicated  
27 or otherwise transferred to public use; or

1           (2) purchase a road or road facility constructed by a  
2 private person.

3           (h) The amount paid for the reimbursement or purchase of a  
4 road or road facility:

5           (1) may include all construction costs, including  
6 engineering, legal, financing, and other expenses incident to the  
7 construction; or

8           (2) may be at a price not to exceed the replacement  
9 cost of the road or road facility as determined by the board; and

10           (3) may be paid with proceeds from the sale of the  
11 district's bonds or from any other money available to the district.

12           (i) The district may enter into an agreement to use the  
13 proceeds of a subsequent bond sale for reimbursing all construction  
14 costs, engineering and other expenses, and financing costs incident  
15 to construction or acquisition of a road or an interest in a road to  
16 a private person who constructs or acquires a road or road facility  
17 that benefits the district pursuant to the agreement. The  
18 agreement may provide the terms and conditions under which the road  
19 or road facility will be dedicated or transferred for the benefit of  
20 the public and to pay or reimburse the cost of constructing or  
21 acquiring the road.

22           Sec. \_\_\_\_ .106. TAX INCREMENT REINVESTMENT ZONE. (a) All or  
23 any part of the area of the district is eligible, regardless of  
24 other statutory criteria, to be included in a tax increment  
25 reinvestment zone created pursuant to Chapter 311, Tax Code.

26           (b) The district may enter into a contract with the board of  
27 directors of a reinvestment zone created pursuant to Chapter 311,

1 Tax Code, and the governing body of the city for the district to  
2 manage or assist in managing the reinvestment zone or implement or  
3 assist in implementing the reinvestment zone's project plan and  
4 reinvestment zone financing plan for the term of the contract in the  
5 same manner as a local government corporation pursuant to Section  
6 311.010(f). The contract may provide that the district shall issue  
7 bonds, notes or other obligations and pledge the contract revenues  
8 to the payment thereof. The district may issue bonds payable in  
9 whole or in part from the revenue of the contract to pay for the  
10 implementation of the reinvestment zone's project plan and  
11 reinvestment zone financing plan. Such bonds and the projects  
12 financed by the bonds are not subject to Sections 49.181 and 49.182,  
13 Water Code.

14 Sec. \_\_\_\_ .107. EMINENT DOMAIN. (a) The district may  
15 exercise the power of eminent domain in accordance with Section  
16 49.222, Water Code.

17 (b) The district shall obtain the written consent of the  
18 city prior to exercising its power of eminent domain.

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Sec. \_\_\_\_ .151. ELECTIONS REGARDING TAXES OR BONDS. (b) The  
21 district may issue bonds, notes, and other obligations secured by  
22 revenues or contract payments from any lawful sources other than ad  
23 valorem taxation without an election.

24 (b) The district must hold an election in the manner  
25 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
26 before the district may impose a maintenance tax or issue bonds  
27 payable from ad valorem taxes.

1       (c) The board may include more than one purpose in a single  
2 proposition at an election.

3       (d) The district may issue bonds, notes, and other  
4 obligations to finance roads and road facilities under Section  
5 52(b)(3), Article III, of the Texas Constitution, secured in whole  
6 or in part by ad valorem taxation and impose ad valorem taxes to pay  
7 the principal of and interest on those obligations and provide a  
8 sinking fund for the redemption thereof only if the issuance is  
9 approved by a two-thirds majority of the voters of the district  
10 voting at an election called and held for that purpose.

11       Sec. \_\_\_\_ .152. AD VALOREM TAX. (a) If authorized at an  
12 election held in accordance with Section \_\_\_\_ .151, the district may  
13 impose an annual ad valorem tax on taxable property in the district  
14 for the acquisition, construction, financing, maintenance and  
15 operation of the district and the improvements constructed or  
16 acquired by the district or for the provision of services.

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

18               SUBCHAPTER E. BONDS OR OTHER OBLIGATIONS

19       Sec. \_\_\_\_ .201. OBLIGATIONS. (a) The district may issue  
20 bonds, notes, or other obligations payable in whole or in part from  
21 ad valorem taxes, impact fees, revenue, grants, or other money of  
22 the district, or any combination of those sources of money, to pay  
23 for any authorized purpose of the district.

24       (b) In exercising the district's borrowing power, the  
25 district may issue a bond or other obligation in the form of a bond,  
26 note, certificate of participation or other instrument evidencing a  
27 proportionate interest in payments to be made by the district, or

1 other type of obligation.

2 (c) At the time bonds payable in whole or in part from ad  
3 valorem taxes are issued, the board shall levy a continuing direct  
4 annual ad valorem tax for each year while all or part of the bonds  
5 are outstanding on all taxable property within the district in  
6 sufficient amount to pay the interest on the bonds as it becomes due  
7 and to create a sinking fund for the payment of the principal of the  
8 bonds when due or the redemption price at any earlier required  
9 redemption date and to pay the expenses of assessing and collecting  
10 taxes.

11 Sec. \_\_\_\_ .202. AUTHORITY OF TEXAS COMMISSION ON  
12 ENVIRONMENTAL QUALITY OVER ISSUANCE OF DISTRICT BONDS. (a)  
13 Sections 49.181 and 49.182, Water Code, apply to all water,  
14 wastewater, drainage and recreational facility projects of the  
15 district and bonds issued therefor.

16 (b) Section 49.181, Water Code, applies to all road and road  
17 facility projects and bonds issued therefor; however, the review of  
18 the Texas Commission on Environmental Quality of such projects  
19 shall be limited to the financial feasibility of such projects and  
20 bonds, and shall not include the review or approval of the design  
21 and construction of such projects or the engineering feasibility of  
22 such projects, and the requirements of written applications for  
23 investigation of feasibility shall be adjusted accordingly.

24 (c) Section 49.182, Water Code, does not apply to any road  
25 and road facility projects and bonds issued therefor.

26 (d) Projects and bonds of the district are not subject to  
27 the review and approval of the Texas Transportation Commission or

1 the rules promulgated by the Texas Transportation Commission.

2 (e) To the extent that the district issues bonds secured  
3 solely by revenues provided under a contract described in Section  
4 .104(b), Sections 49.181, 49.182, and 49.4645, Water Code, shall  
5 not apply to the issuance of such bonds and shall not restrict the  
6 types of facilities or improvements that may be financed with such  
7 bonds.

8 SECTION 2. Imperial Redevelopment District initially  
9 includes all the territory contained in the following area:

10 [~~insert metes & bounds description~~]

11 SECTION 3. The legislature finds that: (1) proper and legal  
12 notice of the intention to introduce this Act, setting forth the  
13 general substance of this Act, has been published as provided by  
14 law, and the notice and a copy of this Act have been furnished to all  
15 persons, agencies, officials, or entities to which they are  
16 required to be furnished by the constitution and laws of this state,  
17 including the governor, who has submitted the notice and Act to the  
18 Texas Commission on Environmental Quality;

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

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

27 (4) all requirements of the constitution and laws of this

1 state and the rules and procedures of the legislature with respect  
2 to the notice, introduction, and passage of this Act have been  
3 fulfilled and accomplished.

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