

By: Brown of Brazos

H.B. No. 3589

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Research Valley Innovation District.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3854 to read as follows:

CHAPTER 3854. RESEARCH VALLEY INNOVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3854.001. DEFINITIONS. In this chapter:

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

(2) "Commissioners court" means the governing body of Brazos County.

(3) "Director" means a board member.

(4) "District" means the Research Valley Innovation District.

(5) "Obligation" means an interest-bearing obligation issued by the district under this chapter, including a bond, certificate, note, or other evidence of indebtedness.

(6) "Project" means a project established under Section 3854.111 and includes the land, buildings, equipment, facilities, infrastructure, improvements, and other property necessary to accomplish the purposes of the project.

Sec. 3854.002. PURPOSE; DECLARATION OF LEGISLATIVE

1 FINDINGS. (a) The creation of the district is essential to  
2 accomplish the purposes of Section 52-a, Article III, and Section  
3 59, Article XVI, Texas Constitution, and to accomplish other public  
4 purposes stated in this chapter.

5 (b) This chapter is enabling legislation enacted to further  
6 the public purposes under Section 52-a, Article III, Texas  
7 Constitution.

8 (c) The creation of the district is necessary to further the  
9 public purpose of improving the economy of this state and of Brazos  
10 County by providing for projects.

11 (d) The district serves the public purposes stated in this  
12 section.

13 Sec. 3854.003. NATURE OF DISTRICT. The district is a  
14 special district and a political subdivision of this state under  
15 Section 59, Article XVI, Texas Constitution.

16 Sec. 3854.004. DISTRICT TERRITORY. The district boundaries  
17 are coextensive with the boundaries of Brazos County.

18 Sec. 3854.005. APPLICABILITY OF OTHER WATER DISTRICTS LAW.  
19 Chapter 49, Water Code, does not apply to the district.

20 Sec. 3854.006. LIBERAL CONSTRUCTION OF CHAPTER. This  
21 chapter shall be construed liberally in conformity with the  
22 legislative findings and purposes stated in this chapter.

23 [Sections 3854.007-3854.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3854.051. GOVERNING BODY. The district is governed by  
26 a board of seven directors appointed as provided by this  
27 subchapter.

1       Sec. 3854.052. TERMS. (a) Directors serve staggered  
2 three-year terms that expire on June 1.

3       (b) A director may not serve more than two consecutive  
4 terms.

5       Sec. 3854.053. APPOINTMENT. The commissioners court shall  
6 appoint the directors.

7       Sec. 3854.054. QUALIFICATIONS. A director:

8           (1) must be a registered voter of Brazos County; and

9           (2) may not:

10                  (A) be an elected official; or

11                  (B) be employed by the district or Brazos County.

12       Sec. 3854.055. VACANCY. The remaining directors shall fill  
13 a vacancy in the office of director for the unexpired term.

14       Sec. 3854.056. DIRECTOR'S BOND; OATH OR AFFIRMATION. (a)  
15 As soon as practicable after a director is appointed, the director  
16 shall execute a bond for \$10,000 payable to the district and  
17 conditioned on the faithful performance of the director's duties.

18           (b) The bond must be approved by the board.

19           (c) The bond and the director's constitutional oath or  
20 affirmation of office shall be filed with the district and the  
21 district shall retain the bond and the oath or affirmation in the  
22 district's records.

23       Sec. 3854.057. OFFICERS. (a) The board shall elect from  
24 among the directors a presiding officer, a secretary, and any other  
25 officers the board considers necessary.

26           (b) The board by resolution shall establish the powers and  
27 duties of the officers, consistent with this chapter.

1       Sec. 3854.058. COMPENSATION; EXPENSES. A director serves  
2 without compensation but is entitled to reimbursement for actual  
3 and necessary expenses approved by the board.

4       Sec. 3854.059. MEETINGS; NOTICE OF MEETINGS. (a) The board  
5 may establish regular meetings to conduct district business and may  
6 hold special meetings at other times as necessary.

7       (b) The board shall provide the notice prepared under  
8 Subchapter C, Chapter 551, Government Code, to the county clerk of  
9 Brazos County. In addition to the requirements imposed by that  
10 subchapter on the district, the county shall post the notice at the  
11 usual location at which notices of commissioners court meetings are  
12 posted.

13       Sec. 3854.060. EMPLOYEES; PERSONS HIRED BY BOARD. (a) The  
14 board shall employ any person the board considers necessary to  
15 conduct district affairs, including:

- 16           (1) engineers;
- 17           (2) attorneys;
- 18           (3) certified public accountants;
- 19           (4) economists;
- 20           (5) administrative assistants;
- 21           (6) bookkeepers; and
- 22           (7) clerical workers.

23       (b) The board by resolution shall determine the  
24 compensation and terms of service of any person employed or hired by  
25 the district.

26       (c) The board may remove any employee.

27       (d) The board may require an employee to execute a bond

1 payable to the district and conditioned on the faithful performance  
2 of the person's duties.

3 Sec. 3854.061. INITIAL DIRECTORS. (a) After creation of  
4 the district under Subchapter F, the commissioners court shall by  
5 resolution appoint initial directors.

6 (b) The commissioners court shall stagger the directors'  
7 terms to expire on June 1, with:

8 (1) two directors serving as near as possible to a  
9 one-year term;

10 (2) two directors serving as near as possible to a  
11 two-year term; and

12 (3) three directors serving as near as possible to a  
13 three-year term.

14 [Sections 3854.062-3854.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 3854.101. GENERAL POWERS. The district has all powers  
17 necessary or convenient to carry out and effect the purposes and  
18 provisions of this chapter.

19 Sec. 3854.102. RULES. The board may adopt rules to govern  
20 the district, including rules governing district operations,  
21 employees, and property.

22 Sec. 3854.103. DISTRICT OFFICE. The board shall designate  
23 and establish a district office in Brazos County.

24 Sec. 3854.104. PROPERTY. The district may exercise any  
25 type of property right, including the power to acquire, sell, or  
26 lease as lessee or lessor, regarding any type of property interest  
27 in the district or for use in the district under terms determined by

1 the board.

2 Sec. 3854.105. AGREEMENTS. The district may make an  
3 agreement with any person for any district purpose, including a  
4 contract to manage or maintain a district project.

5 Sec. 3854.106. GIFTS, GRANTS, AND LOANS. The district may  
6 accept a gift, grant, or loan from any person for any district  
7 purpose.

8 Sec. 3854.107. COMPETITIVE BIDDING. (a) Except as  
9 provided by Subsection (b), Section 375.221, Local Government Code,  
10 applies to the district.

11 (b) Section 375.221, Local Government Code, does not apply  
12 to a contract between the district and:

13 (1) another governmental entity;

14 (2) a nonprofit corporation, including a scientific  
15 research corporation; or

16 (3) a corporation created under the Development  
17 Corporation Act of 1979.

18 Sec. 3854.108. RELATION TO OTHER LAW ON CONTRACTS. This  
19 chapter states the procedures necessary to award contracts and  
20 supersedes any law or other requirement otherwise applicable to the  
21 district regarding the award of contracts.

22 Sec. 3854.109. FEES FOR USE OF DISTRICT IMPROVEMENTS. The  
23 district may establish and maintain reasonable and  
24 nondiscriminatory rates, fares, charges, rents, or other fees or  
25 compensation for the use of the improvements constructed, operated,  
26 or maintained by the district.

27 Sec. 3854.110. PROGRAMS. (a) The district may establish

1 and provide for the administration of one or more programs to:

2 (1) promote state or local economic development; and

3 (2) stimulate business and commercial activity in the  
4 district that relates to a project.

5 (b) As part of a program, the district may make loans or  
6 grants of public money for a public purpose as provided by Section  
7 52-a, Article III, Texas Constitution.

8 Sec. 3854.111. PROJECTS. (a) The district may establish  
9 projects for:

10 (1) research and development activities, including  
11 initiatives to prove the feasibility of an idea;

12 (2) commercialization of the results of research;

13 (3) the incubation of new business or the expansion of  
14 existing business;

15 (4) the promotion of innovations or discoveries;

16 (5) the production and manufacturing of goods and  
17 products;

18 (6) day-to-day business operations or services; and

19 (7) education provided in affiliation with an  
20 institution of higher education, including job training or  
21 vocational education.

22 (b) A project must be related to the following areas of  
23 technology or industry:

24 (1) energy, including manufactured energy systems or  
25 the development of alternative energy sources;

26 (2) biotechnology;

27 (3) medicine or pharmaceuticals;

1           (4) life sciences;

2           (5) defense or homeland security;

3           (6) information, computer, or software technology,  
4 including semiconductor technology;

5           (7) engineering; or

6           (8) micro-electromechanical systems.

7           Sec. 3854.112. SUITS. (a) The district may sue and be  
8 sued.

9           (b) Service of process in a suit may be made by serving any  
10 two directors.

11           (c) The district may not be required to give security for  
12 costs and may appeal from a judgment without giving a supersedeas  
13 bond or cost bond.

14           Sec. 3854.113. SEAL. The district may adopt a seal.

15           Sec. 3854.114. NONPROFIT CORPORATION; JOINT ECONOMIC  
16 DEVELOPMENT. The district shall contract with:

17           (1) a nonprofit corporation that receives money from  
18 Brazos County and the cities of Bryan and College Station to promote  
19 joint economic development for those governmental entities; or

20           (2) another entity associated or affiliated with the  
21 nonprofit corporation to initiate, promote, facilitate, or  
22 administer the development of, or to serve or assist the district to  
23 implement, a project or program under this chapter.

24           [Sections 3854.115-3854.150 reserved for expansion]

25           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26           Sec. 3854.151. USE OF DISTRICT MONEY. The district may use  
27 district money for any district purpose, including:



1           (1) to pay for projects; and

2           (2) to pay district obligations.

3           Sec. 3854.152. INVESTMENTS. (a) The district may invest  
4 money the district receives under this chapter.

5           (b) The district may hire a person to invest district money  
6 on terms the board considers advisable.

7           Sec. 3854.153. DISBURSEMENTS OR TRANSFERS OF MONEY. The  
8 board by resolution shall establish the number of directors'  
9 signatures and the procedure required for a disbursement or  
10 transfer of district money.

11           Sec. 3854.154. DEPOSITORY INSTITUTION. The district may  
12 select one or more financial institutions to serve as a depository  
13 bank for the district.

14           Sec. 3854.155. ACCOUNTS; FISCAL YEAR. (a) The district may  
15 establish an accounting system for the district for each year.

16           (b) The district may establish a fiscal year for the  
17 district.

18           Sec. 3854.156. PROJECT FUND. (a) The district by  
19 resolution shall establish a project fund.

20           (b) The district may establish separate accounts in the  
21 project fund.

22           (c) The district shall deposit into the project fund all  
23 money acquired or received by the district, including:

24           (1) the proceeds from an ad valorem tax imposed by the  
25 district; and

26           (2) revenue from the sale of district obligations.

27           Sec. 3854.157. AUDIT. (a) The district shall enter into a

1 written contract with an independent certified public accountant or  
2 a certified public accounting firm for an annual audit of the  
3 district's affairs and financial records.

4 (b) The district shall make the audit available for  
5 inspection by the public and Brazos County.

6 Sec. 3854.158. ASSESSMENTS. The district may impose an  
7 assessment on property in the district, including an assessment on  
8 a leasehold interest, by agreement with the property owner.

9 Sec. 3854.159. LIABILITIES. The district may incur  
10 liabilities, including a liability incurred by:

11 (1) borrowing money on terms the board determines; and

12 (2) issuing obligations under Section 3854.160.

13 Sec. 3854.160. OBLIGATIONS. (a) The district may issue  
14 obligations, including revenue bonds, to pay the costs of a project  
15 in the district.

16 (b) The district may issue an obligation in the form of a  
17 bond, note, certificate of participation or other instrument  
18 evidencing a proportionate interest in payments to be made by the  
19 district, or other type of obligation.

20 [Sections 3854.161-3854.200 reserved for expansion]

21 SUBCHAPTER E. AD VALOREM TAX

22 Sec. 3854.201. IMPOSITION OF AD VALOREM TAX. If authorized  
23 at an election held under Subchapter F, the district:

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

26 (2) shall by order impose an ad valorem tax to pay for  
27 obligations that are payable wholly or partly from ad valorem

1 taxes.

2 Sec. 3854.202. TAX RATE. (a) The board shall recommend a  
3 tax rate to the commissioners court.

4 (b) The commissioners court shall set the tax rate. The tax  
5 rate may not exceed 10 cents per \$100 of assessed valuation of  
6 taxable property in the district.

7 Sec. 3854.203. TAX ASSESSOR-COLLECTOR. The board may:

8 (1) appoint a district tax assessor-collector; or

9 (2) contract for the assessment and collection of  
10 taxes as provided by the Tax Code.

11 [Sections 3854.204-3854.250 reserved for expansion]

12 SUBCHAPTER F. PETITION AND ELECTION TO ALLOW CREATION, TAXING, OR  
13 RELATED OBLIGATION AUTHORITY

14 Sec. 3854.251. APPLICATION FOR PETITION TO CREATE DISTRICT.

15 (a) If 10 or more registered voters of Brazos County file a written  
16 application with the county, the county shall issue to the  
17 applicants a petition to be circulated among the registered voters  
18 of the county for the signatures of voters who want an election to  
19 be called in the county to determine whether to create the district:

20 (1) with the power to impose an ad valorem tax not to  
21 exceed 10 cents per \$100 valuation of all taxable property in the  
22 district; or

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

24 (b) An application for a petition to create the district  
25 with the power to impose an ad valorem tax must be entitled:

26 "Application for Local Option Election Petition to Create the  
27 Research Valley Innovation District with the Power to Impose an Ad

1 Valorem Tax not to Exceed 10 Cents per \$100 Valuation of all Taxable  
2 Property in the District." The application must contain a  
3 statement immediately above the signatures of the applicants that  
4 reads substantially as follows: "The petitioners whose signatures  
5 appear on this petition intend that the Research Valley Innovation  
6 District referred to in the issue set out above be created." If the  
7 petition also seeks an election to authorize the issuance of bonds  
8 by the district payable in whole or in part from ad valorem taxes,  
9 the following statement must be appended to the end of the title  
10 specified in this subsection: "and to Issue Bonds Payable in Whole  
11 or in Part from the Ad Valorem Tax."

12 (c) An application for a petition under this section to  
13 create the district without the power to impose the ad valorem tax  
14 must be entitled: "Application for Local Option Election Petition  
15 to Create the Research Valley Innovation District." The  
16 application must contain a statement immediately above the  
17 signatures of the applicants that reads substantially as follows:  
18 "The petitioners whose signatures appear on this petition intend  
19 that the Research Valley Innovation District referred to in the  
20 issue set out above be created."

21 Sec. 3854.252. APPLICATION FOR PETITION TO CALL TAX OR BOND  
22 ELECTION. (a) If the district is created without the power to  
23 impose an ad valorem tax and 10 or more registered voters of Brazos  
24 County file a written application with the county for a petition to  
25 authorize the district to impose an ad valorem tax, the county shall  
26 issue to the applicants a petition to be circulated among the  
27 registered voters of the county for the signatures of voters who

1 want to authorize the district to impose an ad valorem tax.

2 (b) At the request of petitioners under this section, a  
3 petition for a local option election to determine whether the  
4 district may impose an ad valorem tax may also provide that at the  
5 same election the district is authorized to issue obligations  
6 payable wholly or partly from that ad valorem tax as permitted under  
7 Section 3854.160.

8 (c) The application for the petition must be titled:  
9 "Application for Local Option Election Petition to Enable the  
10 Research Valley Innovation District to Impose an Ad Valorem Tax not  
11 to Exceed 10 Cents per \$100 Valuation of all Taxable Property in the  
12 District."

13 (d) The application must contain a statement immediately  
14 above the signatures of the applicants that reads substantially as  
15 follows: "The petitioners whose signatures appear on this petition  
16 intend that the Research Valley Innovation District be enabled to  
17 impose an ad valorem tax not to exceed 10 cents per \$100 valuation  
18 of all taxable property in the district."

19 (e) If the petition also seeks an election to authorize the  
20 issuance of obligations by the district payable wholly or partly  
21 from ad valorem taxes, the following statement must be appended to  
22 the title specified by Subsection (c): "and to Issue Bonds Payable  
23 in Whole or in Part from the Ad Valorem Tax."

24 Sec. 3854.253. FORM AND COPIES OF PETITION. (a) Each  
25 petition issued under this subchapter must show the date it is  
26 issued by Brazos County and be serially numbered. Each page of the  
27 petition must bear the same date and serial number.

1       (b) Brazos County shall supply as many copies of the  
2 petition as required by the applicants but not to exceed more than  
3 one page of the petition for every 10 registered voters in the  
4 county. Each copy shall bear the date, number, and seal on each  
5 page as required on the original petition.

6       (c) Brazos County shall keep a copy of each petition and a  
7 record of the applicants for that petition.

8       Sec. 3854.254. FILING AND VERIFICATION OF PETITION. (a)  
9 The applicants requesting a petition under this subchapter may file  
10 a request with Brazos County for the petition to be verified. The  
11 applicants must file the request not later than the 120th day after  
12 the date the petition is issued by the county.

13       (b) If the applicants file a request for verification of the  
14 petition, Brazos County shall examine the names of the signers of  
15 petitions and determine whether the signers of the petition were  
16 registered voters of the county at the time the petition was issued.

17       (c) Brazos County shall certify to the commissioners court  
18 the number of registered voters signing the petition not later than  
19 the 15th day after the date the request for verification was filed.

20       (d) A signature may not be counted under this section if  
21 there is good reason to believe that:

22               (1) the signature is not the actual signature of the  
23 purported signer;

24               (2) the voter registration certificate number is not  
25 correct;

26               (3) the signature duplicates a name or the handwriting  
27 used in any other signature on the petition; or

1           (4) the signer's residence address cannot be verified.

2           Sec. 3854.255. ELECTION ORDER. (a) Not later than the  
3 date of the fourth regular session of the commissioners court  
4 convened after a petition has been verified under Section 3854.254,  
5 the commissioners court shall order an election to be held in the  
6 district on the proposition stated in the petition if the petition  
7 contains:

8           (1) the signatures of a number of registered voters of  
9 Brazos County equal to at least 10 percent of the registered voters  
10 of the county who voted in the most recent general election in the  
11 county;

12           (2) a notation showing the residence address of each  
13 signer;

14           (3) each signer's voter registration certificate  
15 number; and

16           (4) each signer's printed name.

17           (b) The following shall be entered in the commissioners  
18 court minutes:

19           (1) the dates a petition is presented to and verified  
20 by Brazos County;

21           (2) the names of the signers; and

22           (3) the action taken on the petition.

23           (c) The order issued under Subsection (a) must state that  
24 the district's boundaries are coextensive with the boundaries of  
25 Brazos County and that the election will be held within those  
26 boundaries.

27           Sec. 3854.256. NOTICE AND CONDUCT OF ELECTION;

1 RESULTS. (a) The commissioners court shall give notice of an  
2 election ordered under Section 3854.255 by publishing a substantial  
3 copy of the election order once a week for two consecutive weeks in  
4 a newspaper with general circulation in Brazos County.

5 (b) The first publication of the notice must appear before  
6 the 14th day before the date set for the election. If the election  
7 order includes the issue of whether the district may issue  
8 obligations, the first publication of the notice must appear before  
9 the 31st day before the date set for the election.

10 (c) The ballot for an election held under this section must  
11 be printed to permit voting for or against the following  
12 proposition, as appropriate according to the verified petition:

13 (1) "Authorizing the creation of the Research Valley  
14 Innovation District and the imposition of an ad valorem tax not to  
15 exceed the rate of 10 cents per \$100 valuation of all taxable  
16 property in the district.";

17 (2) "Authorizing the creation of the Research Valley  
18 Innovation District, the imposition of an ad valorem tax not to  
19 exceed the rate of 10 cents per \$100 valuation of all taxable  
20 property in the district, and the issuance of bonds payable in whole  
21 or in part from the ad valorem tax.";

22 (3) "Authorizing the creation of the Research Valley  
23 Innovation District.";

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

27 (5) "Authorizing the imposition of an ad valorem tax



1 not to exceed the rate of 10 cents per \$100 valuation of all taxable  
2 property in the district and the issuance of bonds payable wholly or  
3 partly from the ad valorem tax."

4 (d) The district is created if a majority of the voters  
5 voting at the election favor creation.

6 (e) The district may impose an ad valorem tax if a majority  
7 of the district voters voting at the election favor the proposition  
8 stated in Subsection (c)(1), (2), (4), or (5).

9 (f) The district may issue obligations payable wholly or  
10 partly from ad valorem taxes if a majority of the district voters  
11 voting at the election favor the proposition stated in Subsection  
12 (c)(2) or (5).

13 (g) If a majority of the district voters voting at the  
14 election vote against the proposition, another election on the  
15 proposition may not be held before the first anniversary of the date  
16 of the most recent election concerning the proposition.

17 (h) Brazos County shall hold an election provided under this  
18 section on the earliest uniform election date under Section 41.001,  
19 Election Code, that occurs after the commissioners court adopts the  
20 order calling the election.

21 [Sections 3854.257-3854.300 reserved for expansion]

22 SUBCHAPTER G. DISSOLUTION OF DISTRICT

23 Sec. 3854.301. DISSOLUTION OF DISTRICT. The district may  
24 be dissolved only as provided by this subchapter.

25 Sec. 3854.302. DISSOLUTION BY ORDER OF COMMISSIONERS COURT.

26 (a) The board may petition the commissioners court to dissolve the  
27 district if the board finds that the district:

1           (1) has not issued obligations under Section 3854.160  
2 and that the purposes of the district are impracticable, or  
3 reasonably and economically cannot be successful or accomplished;  
4 or

5           (2) has paid, or otherwise provided for payment of,  
6 all obligations issued under Section 3854.160 and that the district  
7 purposes have been accomplished.

8           (b) On receipt of the petition, the commissioners court  
9 shall hold a public hearing to determine whether the dissolution of  
10 the district serves the best interests of Brazos County and of the  
11 residents of the county.

12           (c) After the hearing, the commissioners court shall:

13           (1) enter in the commissioners court records the  
14 appropriate findings and an order dissolving the district if the  
15 commissioners court unanimously determines that the best interests  
16 of Brazos County and of the residents of the county will be served  
17 by dissolving the district; or

18           (2) enter an order providing that the district is not  
19 dissolved if the commissioners court does not unanimously determine  
20 that the best interests of Brazos County and of the residents of the  
21 county will be served by dissolving the district.

22           (d) On dissolution of the district under this section:

23           (1) all money and other property of the district are  
24 transferred to Brazos County; and

25           (2) Brazos County shall assume any remaining district  
26 contracts or other district obligations.

27           Sec. 3854.303. DISSOLUTION OF DISTRICT ON AGREEMENT WITH

1 BRAZOS COUNTY. (a) The district may be dissolved by agreement  
2 between the commissioners court and the board.

3 (b) On dissolution of the district under this section:

4 (1) all money and other property of the district are  
5 transferred to Brazos County; and

6 (2) Brazos County shall assume the district's  
7 responsibilities regarding all district contracts, debts, and  
8 obligations.

9 Sec. 3854.304. EFFECT OF DISSOLUTION ON TAXES. On  
10 dissolution of the district, any taxes imposed by the district are  
11 abolished.

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