By: Macias   H.B. No. 3954

Substitute the following for H.B. No. 3954:

By: Smith of Harris   C.S.H.B. No. 3954

A BILL TO BE ENTITLED

1   AN ACT

2 relating to improvement projects in certain counties.

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

4   SECTION 1. The heading to Section 372.101, Local Government

5 Code, is amended to read as follows:

6   Sec. 372.101. DEFINITIONS[, APPLICABILITY].

7   SECTION 2. Subchapter C, Chapter 372, Local Government

8 Code, is amended by adding Section 372.1011 to read as follows:

9   Sec. 372.1011. APPLICABILITY. This subchapter applies only

10 to:

11   (1) a county with a population of 825,000 or more,

12 other than a county that:

13   (A) borders on the Gulf of Mexico or a bay or

14 inlet of the gulf; or

15   (B) has two municipalities located wholly or

16 partly in its boundaries each having a population of 300,000 or

17 more; or

18   (2) a county with a population of 70,000 or more that

19 is adjacent to a county described by Subdivision (1) in which a

20 municipality with a population of 35,000 or more is primarily

21 situated and includes all or a part of the extraterritorial

22 jurisdiction of a municipality with a population of 1.1 million or

23 more.

24   SECTION 3. Section 372.102, Local Government Code, is

1 amended to read as follows:

2   Sec. 372.102. NATURE OF DISTRICT; PURPOSE. (a) A district

3 is created under Section 52, Article III, and Section 59, Article

4 XVI, Texas Constitution.

5   (b) By enacting this subchapter, the legislature has

6 created a program for economic development as provided in Section

7 52-a, Article III, Texas Constitution. A county may engage in

8 economic development projects as provided by this subchapter, and,

9 on a determination of the commissioners court of the county to

10 create a district, may delegate the authority to oversee and manage

11 the economic development project to an appointed board of

12 directors.   In appointing a board, the commissioners court

13 delegates its authority to serve a public use and benefit.

14   SECTION 4. Section 372.105, Local Government Code, is

15 amended to read as follows:

16   Sec. 372.105. ESTABLISHMENT OF ECONOMIC DEVELOPMENT

17 PROJECTS; OPTIONAL CREATION OF PUBLIC IMPROVEMENT DISTRICT. (a)

18 The commissioners court of a county [, other than a county that

19 borders on the Gulf of Mexico or a bay or inlet of the gulf or a

20 county that has two municipalities located in whole or in part

21 within its boundaries each having a population of 300,000 or more,]

22 may on receipt of a petition satisfying the requirements of Section

23 372.005, establish by order an economic development project in a

24 designated portion of the county, or, if the county determines it is

25 in the best interests of the county, create a district by order only

26 in an area located in the extraterritorial jurisdiction of a

27 municipality in that county.

1 　　　　(b) For a county described by Section 372.1011(2), a

2 district may only be created in an area containing at least 2,000

3 contiguous acres of land that is located wholly or partly in the

4 extraterritorial jurisdiction of a municipality with a population

5 of 1.1 million or more.

6 　　　　(c) [(b)] The order must:

7 　　　　　　　　(1) describe the territory in which the economic

8 development project is to be located or the boundaries of a

9 district;

10 　　　　　　　　(2) specifically authorize the district to exercise

11 the powers of this subchapter if the county has determined that

12 creating a district is in the county's best interests; and

13 　　　　　　　　(3) state whether the petition requests improvements

14 to be financed and paid for with taxes authorized by this subchapter

15 instead of or in addition to assessments.

16 　　　　SECTION 5. Sections 372.126(a) and (c), Local Government

17 Code, are amended to read as follows:

18 　　　　(a) A district may not issue bonds unless approved by the

19 commissioners court of the county that created the district. Bonds

20 [If the population in the district is more than 1,000, the bonds]

21 may not be issued unless approved by a majority of the voters of the

22 district voting in an election held for that purpose. A bond

23 election under this subsection does not affect prior bond issuances

24 and is not required for refunding bond issuances.

25 　　　　(c) If the commissioners court grants approval under this

26 section, bonds, notes, and other district obligations may be

27 secured by district revenue or any type of district taxes or

1 assessments, or any combination of taxes and revenue pledged to the

2 payment of bonds.

3 SECTION 6. Section 372.130, Local Government Code, is

4 amended by amending Subsection (b) and adding Subsections (c) and

5 (d) to read as follows:

6 (b) Except as otherwise provided in this subchapter, a sales

7 and use tax must be imposed in accordance with Chapter 383, Local

8 Government Code, or [and] Chapter 323, Tax Code.

9 (c) The ballot for a sales tax election shall be printed to

10 provide for voting for or against the proposition: "A sales and use

11 tax at a rate not to exceed _____ [insert percentage rate] in the

12 _____ [insert name of district]" or "The adoption of a _____ [insert

13 percentage rate] sales and use tax in the _____ [insert name of

14 district]."

15 (d) A tax authorized at an election held under this section

16 may be imposed at a rate less than or equal to the rate printed in

17 the ballot proposition.

18 SECTION 7. Section 372.101(b), Local Government Code, is

19 repealed.

20 SECTION 8. (a) All acts and proceedings related to the

21 authorization of any taxes or bonds, including acts and proceedings

22 related to an election, by a district created under Subchapter C,

23 Chapter 372, Local Government Code, before the effective date of

24 this Act are validated, ratified, and confirmed in all respects as

25 if the acts and proceedings occurred as authorized by law.

26 (b) This section does not apply to any matter that on the

27 effective date of this Act:

1   (1) is involved in litigation if the litigation

2 ultimately results in the matter being held invalid by a final court

3 judgment; or

4   (2) has been held invalid by a final court judgment.

5   SECTION 9. This Act takes effect immediately if it receives

6 a vote of two-thirds of all the members elected to each house, as

7 provided by Section 39, Article III, Texas Constitution. If this

8 Act does not receive the vote necessary for immediate effect, this

9 Act takes effect September 1, 2007.