

By: Macias

H.B. No. 3954

A BILL TO BE ENTITLED

AN ACT

relating to the creation of public improvement districts in certain counties.

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

SECTION 1. Section 372.101, Local Government Code, is amended to read as follows:

Sec. 372.101. DEFINITIONS; APPLICABILITY. [~~(a)~~] In this subchapter:

(1) "Adjacent county" means a county with a population of 70,000 or more that is adjacent to an eligible county and in which a municipality with a population of 35,000 or more is primarily situated and includes all or a part of the extraterritorial jurisdiction of a municipality with a population of 1.1 million or more.

(2) "Board" means the board of directors of a district.

~~(2)~~ (3) "District" means a public improvement district created by a county under this subchapter.

(4) "Eligible County" means a county with a population of 825,000 or more county other than a county that borders on the Gulf of Mexico or a bay or inlet of the gulf or a county that has two municipalities located in whole or in part within its boundaries each having a population of 300,000 or more.

~~(3)~~ (5) "Hotel" has the meaning assigned by Section

1 156.001, Tax Code, and includes a timeshare, overnight lodging  
2 unit, or condominium during the time the timeshare, overnight  
3 lodging unit, or condominium is rented by a person who is not the  
4 owner of the timeshare, overnight lodging unit, or condominium.

5 ~~[(4)]~~ (6) "Municipality" means the municipality in  
6 whose extraterritorial jurisdiction the improvement project is to  
7 be located.

8 ~~[(b) This subchapter applies only to a county with a  
9 population of 825,000 or more.]~~

10 SECTION 2. Section 372.105, Local Government Code, is  
11 amended by amending Subsections (a) and (b) and adding Subsection  
12 (c) to read as follows:

13 Sec. 372.105. ESTABLISHMENT OF ECONOMIC DEVELOPMENT  
14 PROJECTS; OPTIONAL CREATION OF PUBLIC IMPROVEMENT DISTRICT. (a)  
15 The commissioners court of ~~[a]~~ an eligible county~~[, other than a  
16 county that borders on the Gulf of Mexico or a bay or inlet of the  
17 gulf or a county that has two municipalities located in whole or in  
18 part within its boundaries each having a population of 300,000 or  
19 more,]~~ may on receipt of a petition satisfying the requirements of  
20 Section 372.005, establish by order an economic development project  
21 in a designated portion of the county, or, if the county determines  
22 it is in the best interests of the county, create a district only in  
23 an area located in the extraterritorial jurisdiction of a  
24 municipality in that county.

25 (b) The commissioners court of an adjacent county may on  
26 receipt of a petition satisfying the requirements of Section  
27 372.005, establish by order an economic development project in a

1 designated portion of the county, or, if the county determines it is  
2 in the best interests of the county, create a district only in an  
3 area containing at least 2,000 contiguous acres of land that is  
4 located in whole or in part in the extraterritorial jurisdiction of  
5 a municipality with a population of 1.1 million or more.

6 ~~[(b)]~~ (c) The order described in subsections (a) and (b)  
7 must:

8 (1) describe the territory in which the economic  
9 development project is to be located or the boundaries of a  
10 district;

11 (2) specifically authorize the district to exercise  
12 the powers of this subchapter if the county has determined that  
13 creating a district is in the county's best interests; and

14 (3) state whether the petition requests improvements  
15 to be financed and paid for with taxes authorized by this subchapter  
16 instead of or in addition to assessments.

17 SECTION 3. Section 372.126, Local Government Code, is  
18 amended by amending Subsections (a), (b), and (c), and adding  
19 Subsection (d) to read as follows:

20 Sec. 372.126. BONDS; NOTES. (a) A district may not issue  
21 bonds unless approved by the commissioners court of the county that  
22 created the district. ~~[If the population in the district is more~~  
23 ~~than 1,000, the bonds]~~

24 (b) Bonds may not be issued unless approved by a majority of  
25 the voters of the district voting in an election held for that  
26 purpose. The election must be held on the November uniform election  
27 date. A bond election under this subsection does not affect prior

1 bond issuances and is not required for refunding bond issuances.

2 ~~[(b)]~~ (c) A district may not issue a negotiable promissory  
3 note or notes unless approved by the commissioners court of the  
4 county that created the district.

5 ~~[(e)]~~ (d) If the commissioners court grants approval under  
6 this section, bonds, notes, and other district obligations may be  
7 secured by district revenue or any type of district taxes or  
8 assessments.

9 SECTION 4. Section 372.130, Local Government Code, is  
10 amended by adding Subsections (c) and (d) to read as follows:

11 (c) The election for a sales tax must be held on the November  
12 uniform election date.

13 (d) The ballots for a sales tax election shall be printed to  
14 provide for or against the proposition: "A sales and use tax at a  
15 rate not to exceed [ ]% in the district." Such authorization, if  
16 approved by the voters in the district, includes authorization for  
17 any lesser rate of sales and use tax imposed by the district in  
18 accordance with this section.

19 SECTION 5. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2007.