

By: Martinez Fischer

H.B. No. 4478

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of Austin Desired Development Zone
3 District No. 2; providing authority to levy an assessment, impose
4 taxes, and issue bonds; and granting a limited power of eminent
5 domain.

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

7 SECTION 1. Subtitle C, Title 4, Special District Local Laws
8 Code, is amended by adding Chapter 38_____ to read as follows:

9 CHAPTER 38_____. Austin Desired Development Zone District No. 2

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 38____.001. DEFINITIONS. In this chapter:

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

13 (2) "City" means the City of Austin.

14 (3) "County" means Travis County.

15 (4) "Director" means a board member.

16 (5) "District" means the Austin Desired Development
17 Zone District No. 2.

18 Sec. 38____.002. NATURE OF DISTRICT. Austin Desired
19 Development Zone District No. 2 is a special district created under
20 Section 59, Article XVI, Texas Constitution.

21 Sec. 38____.003. PURPOSE; DECLARATION OF INTENT. (a) The
22 creation of the district is essential to accomplish the purposes of
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
24 Texas Constitution, and other public purposes stated in this

1 chapter. By creating the district and in authorizing the city, the
2 county, and other political subdivisions to contract with the
3 district, the legislature has established a program to accomplish
4 the public purposes set out in Section 52-a, Article III, Texas
5 Constitution.

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

11 Sec. 38____.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

12 (a) The district is created to serve a public use and benefit.

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

18 (c) The creation of the district is in the public interest
19 and is essential to:

20 (1) further the public purposes of developing and
21 diversifying the economy of the state;

22 (2) eliminate unemployment and underemployment; and

23 (3) develop or expand transportation and commerce.

24 (d) The district will:

25 (1) promote the health, safety, and general welfare of
26 residents, employers, potential employees, employees, visitors,
27 and consumers in the district, and of the public;

1 (2) provide needed funding for the district to
2 preserve, maintain, and enhance the economic health and vitality of
3 the district territory as a community and business center; and

4 (3) promote the health, safety, welfare, and enjoyment
5 of the public by providing pedestrian ways and by landscaping and
6 developing certain areas in the district, which are necessary for
7 the restoration, preservation, and enhancement of scenic beauty;
8 and

9 (4) provide for water, wastewater, drainage, road, and
10 recreational facilities for the district.

11 (e) Pedestrian ways along or across a street, whether at
12 grade or above or below the surface, and street lighting, street
13 landscaping, parking, and street art objects are parts of and
14 necessary components of a street and are considered to be a street
15 or road improvement.

16 (f) The district will not act as the agent or
17 instrumentality of any private interest even though the district
18 will benefit many private interests as well as the public.

19 Sec. 38____.005. INITIAL DISTRICT TERRITORY. (a) The
20 district is initially composed of the territory described by
21 Section 2 of the Act enacting this chapter.

22 (b) The boundaries and field notes contained in Section 2
23 of the Act enacting this chapter form a closure. A mistake in the
24 field notes or in copying the field notes in the legislative process
25 does not affect the district's:

26 (1) organization, existence, or validity;

27 (2) right to issue any type of bond for the purposes

1 for which the district is created or to pay the principal of and
2 interest on the bond;

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

4 or

5 (4) legality or operation.

6 Sec. 38____.006. ELIGIBILITY FOR INCLUSION IN SPECIAL
7 ZONES. All or any part of the area of the district is eligible to be
8 included in:

9 (1) a tax increment reinvestment zone created under
10 Chapter 311, Tax Code;

11 (2) a tax abatement reinvestment zone created under
12 Chapter 312, Tax Code; or

13 (3) an enterprise zone created under Chapter 2303,
14 Government Code.

15 Sec. 38____.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
16 DISTRICTS LAW. Except as otherwise provided by this chapter,
17 Chapter 375, Local Government Code, applies to the district.

18 Sec. 38____.008. LIBERAL CONSTRUCTION OF CHAPTER. This
19 chapter shall be liberally construed in conformity with the
20 findings and purposes stated in this chapter.

21 Sec. 38____.009. CONFIRMATION AND DIRECTORS' ELECTION
22 REQUIRED. The temporary directors shall hold an election to
23 confirm the creation of the district and to elect four permanent
24 directors as provided by Section 49.102, Water Code.

25 Sec. 38____.010. CONSENT OF MUNICIPALITY REQUIRED. (a)
26 The temporary directors may not hold an election under Section
27 38____.009 until the city has consented by ordinance or resolution

1 to the creation of the district and to the inclusion of land in the
2 district.

3 (b) The city may condition its consent to the creation of
4 the district, to the inclusion of land in the district, and to the
5 exercise or limitation of powers granted to the district under this
6 Chapter by requiring the owner of any land included in the district
7 to negotiate and enter into a written agreement with the City of
8 Austin under this Chapter and Sections 43.0563 and 212.172, Local
9 Government Code.

10 (c) An agreement between a municipality and a landowner
11 entered into prior to the effective date of this chapter and that
12 complies with this section is validated.

13 (d) Section 54.016, Water Code, does not apply to the
14 district or to an agreement under this section. An agreement under
15 this section constitutes the city's consent to the creation of the
16 district under Section 42.042, Local Government Code.

17 [Sections 38____.012 - 38____.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 38____.051. GOVERNING BODY; TERMS. (a) The district
20 is governed by a board of seven directors. Four of the directors
21 are elected. Three of the directors are appointed under Sec.
22 38____.053.

23 (b) Except as provided by Sec. 38____.052, directors serve
24 staggered four-year terms, with two elected directors' terms and
25 one or two appointed director's terms expiring on June 1 of each
26 even-numbered year. The term of office for each director first
27 appointed under Sec. 38____.053 shall begin on the date the four

1 permanent directors are elected under Section 38____.009
2 Sec. 38____.052. TEMPORARY DIRECTORS. (a) On or after the
3 effective date of the Act creating this chapter, the owner or owners
4 of a majority of the assessed value of the real property in the
5 district as determined by the most recent certified tax appraisal
6 roll for the county may submit a petition to the Texas Commission on
7 Environmental Quality requesting that the commission appoint as
8 temporary directors the four persons named in the petition. The
9 commission shall appoint as temporary directors the four persons
10 named in the petition.

11 (b) Temporary directors serve until the earlier of:
12 (1) the date four permanent directors are elected
13 under Section 38____.009; or
14 (2) the fourth anniversary of the effective date of
15 the Act creating this chapter.

16 (c) If permanent directors have not been elected under
17 Section 38____.009 and the terms of the temporary directors have
18 expired, successor temporary directors shall be appointed or
19 reappointed as provided by Subsection (d) to serve terms that
20 expire on the earlier of:

21 (1) the date four permanent directors are elected
22 under Section 38____.009; or
23 (2) the fourth anniversary of the date of the
24 appointment or reappointment.

25 (d) If Subsection (c) applies, the owner or owners of a
26 majority of the assessed value of the real property in the district
27 according to the most recent certified tax appraisal roll for the

1 county may submit a petition to the commission requesting that the
2 commission appoint as successor temporary directors the four
3 persons named in the petition. The commission shall appoint as
4 successor temporary directors the four persons named in the
5 petition.

6 Sec. 38____.053. APPOINTMENT OF DIRECTOR. (a) The City
7 Council of the city shall appoint one director, and may appoint a
8 second director after notice is provided by the board to the city
9 under Subsection (c). A person is appointed if a majority of the
10 members of the City Council vote to appoint that person.

11 (b) The county Commissioners Court shall appoint one
12 director. A person is appointed if a majority of the members of the
13 Commissioners Court vote to appoint that person.

14 (c) The Texas Commission on Environmental Quality shall
15 appoint one director nominated by the board. The board shall
16 request the name of a qualified director nominee from each person
17 who owns at least 25 percent of the surface area of land in the
18 district, based on the most recent certified tax appraisal roll for
19 the county. The board shall nominate to the Texas Commission on
20 Environmental Quality the qualified director nominee whose name
21 was submitted by the person who owns the largest total surface area
22 of land in the district. If the board has not received the name of
23 a qualified director nominee before the 31st day after the date the
24 board requests the name of a qualified director nominee from every
25 person who owns at least 25 percent of the surface area of land in
26 the district, or if no person owns at least 25 percent of the
27 surface area of land in the district, the board shall notify the

1 city that it may appoint a second director under Subsection (a), and
2 no appointment shall be made under this subsection.

3 Sec. 38____.054. QUALIFICATIONS OF DIRECTOR. (a) To be
4 qualified to be elected and serve as an elected director or to be
5 qualified to be appointed and serve as an appointed director under
6 Subsection (c) of Section 38____.053, a person must be at least 18
7 years old and:

8 (1) a resident of the district; or

9 (2) an owner of property in the district.

10 (b) A director appointed under Section 38____.052 or
11 Subsection (a) or (b) of Section 38____.053 must be at least 18
12 years old.

13 (c) A person who qualifies to serve as a director under this
14 section is subject to Section 375.072, Local Government Code.

15 Sec. 38____.055. DIRECTOR VACANCY. A vacancy in the office
16 of an elected director shall be filled for the unexpired term by the
17 majority vote of the remaining members of the board. A vacancy in
18 the office of a director appointed under Section 38____.053 shall
19 be filled for the unexpired term by a new director appointed under
20 that section.

21 Sec. 38____.056. QUORUM. (a) A majority of the directors
22 constitutes a quorum, and a concurrence of a majority of the
23 directors is required for any official action of the district
24 unless a lesser or greater number of votes is provided by other law.
25 The written consent of at least two-thirds of the directors is
26 required to authorize the levy of assessments, the levy of taxes,
27 the imposition of impact fees, or the issuance of bonds.

1 (b) For purposes of determining the requirements for a
2 majority of the board under this section, the following are not
3 counted:

4 (1) a board position vacant for any reason, including
5 death, resignation, or disqualification; or

6 (2) a director who is abstaining from participation in
7 a vote because of a conflict of interest.

8 Sec. 38____.057. COMPENSATION. A director is entitled to
9 receive fees of office and reimbursement for actual expenses as
10 provided by Section 49.060, Water Code.

11 [Sections 38____.058 - 38____.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 38____.101. GENERAL POWERS AND DUTIES. The district
14 has the powers and duties provided by:

15 (1) the general laws relating to conservation and
16 reclamation districts created under Section 59, Article XVI, Texas
17 Constitution, including Chapters 49 and 54, Water Code;

18 (2) Section 52, Article III, Texas Constitution,
19 including the power to design, acquire, construct, finance, issue
20 bonds for, improve, operate, maintain, and convey to this state, a
21 county, or a municipality for operation and maintenance
22 macadamized, graveled, or paved roads, or improvements, including
23 storm drainage, in aid of those roads;

24 (3) Subchapter A, Chapter 372, Local Government Code,
25 in the same manner as a municipality or a county;

26 (4) Chapter 375, Local Government Code;

27 (5) Chapter 380, Local Government Code, in the same

1 manner as a municipality;

2 (6) Chapter 394, Local Government Code, to a housing
3 finance corporation created and operating under that chapter, in
4 the same manner as a housing finance corporation;

5 (7) Subchapter C, Chapter 402, Local Government Code,
6 in the same manner as a municipality; and

7 (8) Chapters 501, 502, and 505, Local Government Code,
8 in the same manner as a municipality to which one or more of those
9 chapters applies.

10 Sec. 38____.102. AGREEMENTS; GRANTS. (a) The district may
11 make an agreement with or accept a gift, grant, or loan from any
12 person. A service agreement made by the district shall be
13 terminable at will and without penalty upon 30 days notice of
14 termination, unless the district secures the written consent of
15 the City of Austin to modify or exclude those termination
16 provisions, except for service agreements with the following
17 persons or entities:

18 (1) a developer of land within the district, as
19 defined by Section 49.052(d), Water Code;

20 (2) a government agency, entity, or political
21 subdivision;

22 (3) a retail public utility or electric cooperative,
23 concerning water, wastewater, gas, electricity, telecommunication,
24 drainage, or other utility services and facilities; or

25 (4) a provider of services relating to solid waste
26 collection, transfer, processing, reuse, resale, disposal, and
27 management.

1 (b) The implementation of a project is a governmental
2 function or service for the purposes of Chapter 791, Government
3 Code.

4 (c) The board may enter into a contract with the board of
5 directors of a tax increment reinvestment zone created under
6 Chapter 311, Tax Code, and the governing body of the municipality or
7 county that created the zone to manage the zone or implement the
8 project plan and reinvestment zone financing plan.

9 Sec. 38____.103. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT
10 AND FIRE-FIGHTING SERVICES. (a) To protect the public interest,
11 the district may contract with a qualified party, including the
12 county or the city, for the provision of law enforcement services in
13 the district for a fee.

14 (b) The district may provide fire-fighting services under
15 Section 49.351, Water Code and has the powers and duties of a
16 municipality under Section 775.022, Health & Safety Code.

17 Sec. 38____.104. ECONOMIC DEVELOPMENT PROGRAMS. The
18 district may establish and provide for the administration of one or
19 more programs to promote state or local economic development and to
20 stimulate business and commercial activity in the district,
21 including programs to:

22 (1) make loans and grants of public money; and

23 (2) provide district personnel and services.

24 Sec. 38____.105. STRATEGIC PARTNERSHIP AGREEMENT. The
25 district may negotiate and enter into a written strategic
26 partnership with the City of Austin under Section 43.0751, Local
27 Government Code. A power granted to the district under this Chapter

1 may be restricted or prohibited by the terms and conditions of an
2 agreement between the City of Austin and the district under this
3 section.

4 Sec. 38____.106. LIMITED EMINENT DOMAIN. (a) The district
5 may exercise the power of eminent domain under Section 49.222,
6 Water Code.

7 (b) The district may not exercise the power of eminent
8 domain outside the district boundaries to acquire:

9 (1) a site for a water treatment plant, water storage
10 facility, wastewater treatment plant, or wastewater disposal
11 plant; or

12 (2) a recreational facility as defined by Section
13 49.462, Water Code.

14 Sec. 38____.107. ANNEXATION OR EXCLUSION OF LAND BY
15 DISTRICT. (a) The district may annex land as provided by
16 Subchapter J, Chapter 49, Water Code.

17 (b) The district may exclude land as provided by Subchapter
18 J, Chapter 49, Water Code. Section 375.044(b), Local Government
19 Code, does not apply to the district.

20 Sec. 38____.108. SUITS. The District shall not be a
21 voluntary party to any suit against the city by a district resident
22 or a person who owns property in the district unless the district
23 has standing to bring the suit.

24 [Sections 38____.109 - 38____.150 reserved for expansion]

25 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

26 Sec. 38____.151. PUBLIC TRANSIT SYSTEM. (a) The district
27 may acquire, lease as lessor or lessee, construct, develop, own,

1 operate, and maintain a public transit system to serve the area
2 within the boundaries of the district.

3 (b) The district may contract with a regional transit
4 authority for the provision of a public transit system and public
5 transit services.

6 Sec. 38_____152. PARKING FACILITIES AUTHORIZED; OPERATION
7 BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire,
8 lease as lessor or lessee, construct, develop, own, operate, and
9 maintain parking facilities or a system of parking facilities,
10 including:

11 (1) lots, garages, parking terminals, or other
12 structures or accommodations for parking motor vehicles off the
13 streets; and

14 (2) equipment, entrances, exits, fencing, and other
15 accessories necessary for safety and convenience in parking
16 vehicles.

17 (b) A parking facility of the district may be leased to, or
18 operated for the district by, an entity other than the district.

19 (c) The district's parking facilities are a program
20 authorized by the legislature under Section 52-a, Article III,
21 Texas Constitution.

22 (d) The district's parking facilities serve the public
23 purposes of the district and are owned, used, and held for a public
24 purpose even if leased or operated by a private entity for a term of
25 years.

26 (e) The district's public parking facilities and any lease
27 to a private entity are exempt from the payment of ad valorem taxes

1 and state and local sales and use taxes.

2 Sec. 38____.153. RULES. The district may adopt rules
3 covering its public transit system or its public parking system.

4 Sec. 38____.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
5 PARKING FACILITIES. (a) The district may use any of its resources,
6 including revenue, assessments, taxes, or grant or contract
7 proceeds, to pay the cost of acquiring or operating a public transit
8 system or public parking facilities.

9 (b) The district may:

10 (1) set, charge, impose, and collect fees, charges, or
11 tolls for the use of the public transit system or the public parking
12 facilities; and

13 (2) issue bonds or notes to finance the cost of these
14 facilities.

15 [Sections 38____.155 - 38____.200 reserved for expansion]

16 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

17 Sec. 38____.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The
18 board by resolution shall establish the number of directors'
19 signatures and the procedure required for a disbursement or
20 transfer of the district's money.

21 Sec. 38____.202. MONEY USED FOR IMPROVEMENTS OR SERVICES.
22 The district may acquire, construct, finance, operate, or maintain
23 any improvement or service authorized under this chapter or Chapter
24 375, Local Government Code, using any money available to the
25 district.

26 Sec. 38____.203. PETITION REQUIRED FOR FINANCING SERVICES
27 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a

1 service or improvement project with assessments under this chapter
2 unless a written petition requesting that service or improvement
3 has been filed with the board.

4 (b) A petition filed under Subsection (a) must be signed by
5 the owners of a majority of the assessed value of the real property
6 in the district subject to assessment as determined by the most
7 recent certified tax appraisal roll for the county.

8 Sec. 38____.204. METHOD OF NOTICE FOR HEARING. The
9 district may mail the notice required by Section 375.115(c), Local
10 Government Code, by certified or first class United States mail.
11 The board shall determine the method of notice.

12 Sec. 38____.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
13 The board by resolution may impose and collect an assessment for any
14 purpose authorized by this chapter in all or any part of the
15 district.

16 (b) An assessment, a reassessment, or an assessment
17 resulting from an addition to or correction of the assessment roll
18 by the district, penalties and interest on an assessment or
19 reassessment, an expense of collection, and reasonable attorney's
20 fees incurred by the district:

21 (1) are a first and prior lien against the property
22 assessed;

23 (2) are superior to any other lien or claim other than
24 a lien or claim for county, school district, or municipal ad valorem
25 taxes; and

26 (3) are the personal liability of and a charge against
27 the owners of the property even if the owners are not named in the

1 assessment proceedings.

2 (c) The lien is effective from the date of the board's
3 resolution imposing the assessment until the date the assessment is
4 paid. The board may enforce the lien in the same manner that the
5 board may enforce an ad valorem tax lien against real property.

6 (d) The board may make a correction to or deletion from the
7 assessment roll that does not increase the amount of assessment of
8 any parcel of land without providing notice and holding a hearing in
9 the manner required for additional assessments.

10 Sec. 38____.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES
11 AND ASSESSMENTS. The district may not impose an impact fee or
12 assessment on the property, including the equipment,
13 rights-of-way, facilities, or improvements, of:

14 (1) an electric utility or a power generation company
15 as defined by Section 31.002, Utilities Code;

16 (2) a gas utility as defined by Section 101.003 or
17 121.001, Utilities Code;

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

20 (4) a person who provides to the public cable
21 television or advanced telecommunications services.

22 Sec. 38____.207. RESIDENTIAL PROPERTY. Section 375.161,
23 Local Government Code, does not apply to the district.

24 Sec. 38____.208. OPERATION AND MAINTENANCE TAX. (a) If
25 authorized at an election held in accordance with Section
26 38____.212, the district may impose an operation and maintenance
27 tax on taxable property in the district in accordance with Section

1 49.107, Water Code, for any district purpose, including to:

2 (1) maintain and operate the district;

3 (2) construct or acquire improvements; or

4 (3) provide a service.

5 (b) The board shall determine the tax rate. The rate may not
6 exceed the rate approved at the election.

7 Sec. 38____.209. CONTRACT TAXES. (a) In accordance with
8 Section 49.108, Water Code, the district may impose a tax other than
9 an operation and maintenance tax and use the revenue derived from
10 the tax to make payments under a contract after the provisions of
11 the contract have been approved by a majority of the district voters
12 voting at an election held for that purpose.

13 (b) A contract approved by the district voters may contain a
14 provision stating that the contract may be modified or amended by
15 the board without further voter approval.

16 Sec. 38____.210. AUTHORITY TO ISSUE BONDS. (a) The
17 district may issue by competitive bid bonds, notes, or other
18 obligations payable wholly or partly from taxes, assessments,
19 impact fees, revenue, grants, or other money of the district, or any
20 combination of those sources of money, to pay for any authorized
21 district purpose.

22 (b) The limitation on the outstanding principal amount of
23 bonds, notes, and other obligations set forth in Section 49.4645,
24 Water Code, does not apply to the district.

25 Sec. 38____.211. CITY APPROVAL OF DISTRICT BONDS. (a) No
26 later than 30 days before the first publication of notice of sale of
27 a district bond, the district shall provide to the city a copy of

1 the district's application to the Texas Commission on Environmental
2 Quality for approval of the bond sale, a copy of the staff
3 memorandum from the Texas Commission on Environmental Quality
4 approving the projects and the bonds, the proposed bond resolution,
5 the preliminary official statement for the bond sale, the bid form,
6 and the notice of sale, as applicable.

7 (b) The city may refuse to approve a bond sale only if the
8 city determines that issuance of the bonds would cause the district
9 to be substantially out of compliance with a material provision of
10 a written agreement with the city under Section 38____.010, Section
11 38____.105, or any other written agreement with the city pertaining
12 to the district's creation or operation.

13 (c) The city shall notify the district of its refusal to
14 approve a bond sale under Subsection(b) no later than the 15th day
15 after its receipt of the information provided under Subsection (a),
16 or the bond sale shall be deemed to be approved by the City.

17 (d) The district shall not issue or sell a bond that the
18 city has refused to approve under this section.

19 Sec. 38____.212. TAXES FOR BONDS. At the time the district
20 issues bonds payable wholly or partly from ad valorem taxes, the
21 board shall provide for the annual imposition of a continuing
22 direct annual ad valorem tax, without limit as to rate or amount,
23 for each year while all or part of the bonds are outstanding as
24 required and in the manner provided by Sections 54.601 and 54.602,
25 Water Code.

26 Sec. 38____.213. ELECTIONS REGARDING TAXES AND BONDS. (a)
27 The district may issue, without an election, bonds, notes, and

1 other obligations secured by:

2 (1) revenue other than ad valorem taxes; or

3 (2) contract payments described by Section
4 38____.209.

5 (b) The district shall hold an election in the manner
6 provided by Subchapter L, Chapter 375, Local Government Code, to
7 obtain voter approval before the district imposes an ad valorem tax
8 or sales and use tax or issues bonds payable from ad valorem taxes.

9 (c) Section 375.243, Local Government Code, does not apply
10 to the district.

11 (d) All or any part of any facilities or improvements which
12 may be acquired by a district by the issuance of its bonds may be
13 included in one single proposition to be voted on at the election or
14 the bonds may be submitted in several propositions.

15 Sec. 38____.214. CITY NOT REQUIRED TO PAY DISTRICT
16 OBLIGATIONS. Except as provided by Section 375.263, Local
17 Government Code, the city is not required to pay a bond, note, or
18 other obligation of the district.

19 Sec. 38____.215. COMPETITIVE BIDDING. Subchapter I,
20 Chapter 49, Water Code, applies to the district. Subchapter K,
21 Chapter 375, Local Government Code, does not apply to the district
22 if the district complies with the requirements of Section 375.222,
23 Local Government Code, as it existed on January 1, 2009.

24 Sec. 38____.216. TAX AND ASSESSMENT ABATEMENTS. The
25 district may grant in the manner authorized by Chapter 312, Tax
26 Code, an abatement for a tax or assessment owed to the district.

27 Sec. 38____.217. TAX INCREMENT FINANCING POWERS. (a) The

1 district may designate all or any part of the district as a tax
2 increment reinvestment zone, and the district may use tax increment
3 financing under Chapter 311, Tax Code, in the manner provided by
4 that chapter for a municipality, except as modified by this
5 section.

6 (b) The district has all powers provided under Chapter 311,
7 Tax Code.

8 (c) The district and an overlapping taxing unit may enter
9 into an interlocal agreement for the payment of all or a portion of
10 the tax increment of the unit to the district.

11 (d) For the purpose of tax increment financing under this
12 section, the board functions as the board of directors of the
13 reinvestment zone. Section 311.009, Tax Code, does not apply to the
14 district.

15 [Sections 38____.218 - 38____.300 reserved for expansion]

16 SUBCHAPTER F. SALES AND USE TAX

17 Sec. 38____.301. MEANINGS OF WORDS AND PHRASES. Words and
18 phrases used in this subchapter that are defined by Chapters 151 and
19 321, Tax Code, have the meanings assigned by Chapters 151 and 321,
20 Tax Code.

21 Sec. 38____.302. APPLICABILITY OF CERTAIN TAX CODE
22 PROVISIONS. (a) Except as otherwise provided by this subchapter,
23 Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code,
24 apply to taxes imposed under this subchapter and to the
25 administration and enforcement of those taxes in the same manner
26 that those laws apply to state taxes.

27 (b) Chapter 321, Tax Code, relating to municipal sales and

1 use taxes, applies to the application, collection, charge, and
2 administration of a sales and use tax imposed under this subchapter
3 to the extent consistent with this chapter, as if references in
4 Chapter 321, Tax Code, to a municipality referred to the district
5 and references to a governing body referred to the board.

6 (c) Sections 321.106, 321.401, 321.402, 321.403, 321.404,
7 321.406, 321.409, 321.506, 321.507, and 321.508, Tax Code, do not
8 apply to a tax imposed under this subchapter.

9 Sec. 38____.303. AUTHORIZATION; ELECTION. (a) The
10 district may adopt a sales and use tax to serve the purposes of the
11 district after an election in which a majority of the voters of the
12 district voting in the election authorize the adoption of the tax.

13 (b) The board by order may call an election to authorize a
14 sales and use tax. The election may be held with any other district
15 election.

16 (c) The district shall provide notice of the election and
17 shall hold the election in the manner prescribed by Section
18 38____.212.

19 (d) The ballots shall be printed to provide for voting for
20 or against the proposition: "Authorization of a sales and use tax in
21 Austin Desired Development Zone Management District No. 2 at a rate
22 not to exceed [____] percent."

23 Sec. 38____.304. ABOLISHING SALES AND USE TAX. (a) Except
24 as provided in Subsection (b), the board may abolish the sales and
25 use tax without an election.

26 (b) The board may not abolish the sales and use tax if the
27 district has outstanding debt secured by the tax.

1 (c) Notwithstanding subsection (b), a sales and use tax
2 adopted under this subchapter is automatically abolished on the
3 effective date of full-purpose annexation by the city of the
4 district.

5 Sec. 38____.305. SALES AND USE TAX RATE. (a) On adoption
6 of the tax authorized by this subchapter, there is imposed a tax on
7 the receipts from the sale at retail of taxable items within the
8 district, and an excise tax on the use, storage, or other
9 consumption within the district of taxable items purchased, leased,
10 or rented from a retailer within the district during the period that
11 the tax is in effect.

12 (b) The board shall determine the rate of the tax, which may
13 be in one-eighth of one percent increments not to exceed the
14 maximum rate authorized by the district voters at the election. The
15 board may lower the tax rate to the extent it does not impair any
16 outstanding debt or obligations payable from the tax.

17 (c) The rate of the excise tax is the same as the rate of the
18 sales tax portion of the tax and is applied to the sales price of
19 the taxable item.

20 [Sections 38____.306 - 38____.350 reserved for expansion]

21 SUBCHAPTER G. HOTEL OCCUPANCY TAXES

22 Sec. 38____.351. HOTEL OCCUPANCY TAX. (a) In this section,
23 "hotel" has the meaning assigned by Section 156.001, Tax Code.

24 (b) For purposes of this section, a reference in Chapter
25 351, Tax Code, to a municipality is a reference to the district and
26 a reference in Chapter 351, Tax Code, to the municipality's
27 officers or governing body is a reference to the board.

1 (c) Except as inconsistent with this section, Subchapter A,
2 Chapter 351, Tax Code, governs a hotel occupancy tax authorized by
3 this section.

4 (d) The district may impose a hotel occupancy tax and may
5 use revenue from the tax for any district purpose that is also an
6 authorized use of hotel occupancy tax revenue under Chapter 351,
7 Tax Code.

8 (e) The board by order may impose, repeal, increase, or
9 decrease the rate of a tax on a person who, under a lease,
10 concession, permit, right of access, license, contract, or
11 agreement, pays for the use or possession or for the right to the
12 use or possession of a room that:

13 (1) is in a hotel located in the district's boundaries;

14 (2) costs \$2 or more each day; and

15 (3) is ordinarily used for sleeping.

16 (f) The amount of the tax may not exceed seven percent of the
17 price paid for a room in a hotel.

18 (g) The district may examine and receive information
19 related to the imposition of hotel occupancy taxes to the same
20 extent as if the district were a municipality.

21 (h) A hotel occupancy tax imposed under this subchapter is
22 automatically abolished on the effective date of full-purpose
23 annexation by the city of the district.

24 [Sections 38____.352 - 38____.400 reserved for expansion]

25 SUBCHAPTER H. DISSOLUTION

26 Sec. 38____.401 DISSOLUTION. (a) The district may not be
27 dissolved under Subchapter M, Chapter 375, Local Government Code,

1 or any other law that authorizes dissolution of the district until
2 and unless all of the district's outstanding indebtedness and
3 contractual obligations payable from ad valorem taxes, sales and
4 use taxes, assessments, or other revenue sources are paid in full or
5 payment is fully provided for.

6 (b) If the conditions of subsection (a) are satisfied, the
7 district may be dissolved by the affirmative vote of at least five
8 of the directors of the board. If the conditions of subsection (a)
9 are satisfied after the district has been annexed into the city for
10 full purposes, the city may dissolve the district by the majority
11 vote of its governing body.

12 (c) Dissolution of the district shall be in accordance with
13 the terms and conditions of this section and of the agreement
14 between the landowner and the city under Section 38____.010.

15 (d) Sections 43.075 and 43.0715, Local Government Code, do
16 not apply to the district.

17 SECTION 2. Austin Desired Development Zone District No. 2
18 includes all territory contained in the following area:

19 A DESCRIPTION OF 468.280 ACRES IN THE SANTIAGO DEL VALLE
20 GRANT IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF AN 81.018 ACRE
21 TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION
22 INC., DATED DECEMBER 12, 2006 AND RECORDED IN DOCUMENT NO.
23 2006246454 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS,
24 A PORTION OF A 103.415 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY
25 DEED TO JONA ACQUISITION INC., DATED NOVEMBER 20, 2006 AND RECORDED
26 IN DOCUMENT NO. 2006224021 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS
27 COUNTY, TEXAS, A PORTION OF A 167.748 ACRE TRACT DESCRIBED IN A

1 GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 13,
2 2006 AND RECORDED IN DOCUMENT NO. 2006241307 OF THE OFFICIAL PUBLIC
3 RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 42.558 ACRE TRACT
4 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
5 DATED MAY 16, 2008 AND RECORDED IN DOCUMENT NO. 2008083861 OF THE
6 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
7 20.005 ACRE TRACT DESCRIBED IN A WARRANTY DEED WITH VENDOR'S LIEN TO
8 JOHN T. HALDENSTEIN AND JOSHUA N. HALDENSTEIN, DATED DECEMBER 14,
9 2000 AND RECORDED IN DOCUMENT NO. 2000203669 OF THE OFFICIAL PUBLIC
10 RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 198.302 ACRE TRACT
11 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
12 DATED DECEMBER 20, 2006 AND RECORDED IN DOCUMENT NO. 2006244772 OF
13 THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
14 37.390 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA
15 ACQUISITION INC., DATED OCTOBER 30, 2008 AND RECORDED IN DOCUMENT
16 NO. 2008179828 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
17 TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED IN A SPECIAL
18 WARRANTY DEED WITH VENDOR'S LIEN TO JONA ACQUISITION INC., DATED
19 JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190 OF THE
20 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND A PORTION OF AN
21 67.339 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA
22 ACQUISITION INC., DATED NOVEMBER 7, 2007 AND RECORDED IN DOCUMENT
23 NO. 2007204509 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
24 TEXAS; SAID 468.280 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY
25 METES AND BOUNDS AS FOLLOWS:

26 BEGINNING at a calculated point for the southeast corner of
27 said 103.415 acre tract, same being the northeast corner of a 0.1291

1 acre tract described in a deed of record under Document No.
2 2001163489 of the Official Public Records of Travis County, Texas,
3 and in the west right-of-way line of F.M. 1625 (80' right-of-way);

4 THENCE North 62°41'37" West, with the south line of said
5 103.415 acre tract, same being the north line of said 0.1291 acre
6 tract, at a distance of 0.50 feet passing a 2" iron pipe found, and
7 continuing for a total distance of 75.00 feet to a 1/2" rebar with
8 plastic "Chaparral Boundary" cap found at the northwest corner of
9 said 0.1291 acre tract, same being the northeast corner of said
10 167.748 acre tract;

11 THENCE with the east lines of said 167.748 acre tract, same
12 being the northwest and southwest lines of said 0.1291 acre tract,
13 the following two (2) courses and distances:

14 1. South 27°05'45" West, a distance of 75.17 feet to a 1/2"
15 rebar with "Chaparral Boundary" cap found;

16 2. South 62°41'37" East, at a distance of 23.12 feet to a
17 calculated point in the east line of said 167.748 acre tract, same
18 being the southwest line of said 0.1291 acre tract;

19 THENCE crossing said 167.748 acre tract, said 42.558 acre
20 tract, said 20.005 acre tract, said 198.302 acre tract, said
21 232.233 acre tract, said 37.390 acre tract, said 67.339 acre tract,
22 said 81.018 acre tract, said 103.415 acre tract the following
23 thirty-one (31) courses and distances:

24 1. South 27°11'27" West, a distance of 373.24 feet to a
25 calculated point;

26 2. North 62°48'33" West, a distance of 157.15 feet to a
27 calculated point for a point of curvature to the left;

1 3. Following said curve to the left, having a radius of
2 1400.01 feet, a delta angle of $30^{\circ}17'26''$, an arc length of 740.14
3 feet, and a chord which bears North $77^{\circ}57'16''$ West, a distance of
4 731.55 feet to a calculated point;

5 4. South $86^{\circ}54'01''$ West, a distance of 948.17 feet to a
6 calculated point for a point of curvature to the right;

7 5. Following said curve to the right, having a radius of
8 1400.00 feet, a delta angle of $31^{\circ}17'39''$, an arc length of 764.66
9 feet, and a chord which bears North $77^{\circ}27'10''$ West, a distance of
10 755.19 feet to a calculated point;

11 6. North $61^{\circ}48'21''$ West, a distance of 1129.78 feet to a
12 calculated point;

13 7. North $28^{\circ}11'39''$ East, a distance of 913.30 feet to a
14 calculated point;

15 8. North $61^{\circ}48'21''$ West, a distance of 6.57 feet to a
16 calculated point for a point of curvature to the right;

17 9. Following said curve to the right, having a radius of
18 531.00 feet, a delta angle of $36^{\circ}15'15''$, an arc length of 335.99
19 feet, and a chord which bears North $46^{\circ}19'17''$ East, a distance of
20 330.42 feet to a calculated point;

21 10. North $25^{\circ}33'06''$ West, a distance of 187.89 feet to a
22 calculated point for a point of curvature to the left;

23 11. Following said curve to the right, having a radius of
24 1000.01 feet, a delta angle of $37^{\circ}22'12''$, an arc length of 652.23
25 feet, and a chord which bears North $44^{\circ}14'12''$ West, a distance of
26 640.74 feet to a calculated point;

27 12. North $62^{\circ}55'18''$ West, a distance of 280.83 feet to a

1 calculated point for a point of curvature to the right;

2 13. Following said curve to the right, having a radius of
3 800.00 feet, a delta angle of $35^{\circ}47'43''$, an arc length of 499.80
4 feet, and a chord which bears North $45^{\circ}01'27''$ West, a distance of
5 491.71 feet to a calculated point;

6 14. North $27^{\circ}07'35''$ West, a distance of 204.28 feet to a
7 calculated point for a point of curvature to the right;

8 15. Following said curve to the right, having a radius of
9 1600.01 feet, a delta angle of $108^{\circ}24'34''$, an arc length of 3027.38
10 feet, and a chord which bears North $27^{\circ}04'42''$ East, a distance of
11 2595.57 feet to a calculated point for a point of reverse curvature
12 to the left;

13 16. Following said curve to the left, having a radius of
14 1000.01 feet, a delta angle of $29^{\circ}04'06''$, an arc length of 507.34
15 feet, and a chord which bears North $69^{\circ}17'59''$ East, a distance of
16 501.92 feet to a calculated point;

17 17. North $54^{\circ}40'51''$ East, a distance of 483.26 feet to a
18 calculated point for a point of curvature to the left;

19 18. Following said curve to the left, having a radius of
20 1226.51 feet, a delta angle of $16^{\circ}03'46''$, an arc length of 343.85
21 feet, and a chord which bears South $43^{\circ}15'53''$ East, a distance of
22 342.73 feet to a calculated point;

23 19. South $51^{\circ}17'46''$ East, a distance of 107.66 feet to a
24 calculated point for a point of curvature to the right;

25 20. Following said curve to the right, having a radius of
26 923.51 feet, a delta angle of $14^{\circ}15'58''$, an arc length of 229.94
27 feet, and a chord which bears South $44^{\circ}09'47''$ East, a distance of

1 229.35 feet to a calculated point;

2 21. South $37^{\circ}01'48''$ East, a distance of 185.80 feet to a
3 calculated point for a point of curvature to the left;

4 22. Following said curve to the left, having a radius of
5 434.00 feet, a delta angle of $16^{\circ}37'02''$, an arc length of 125.87
6 feet, and a chord which bears South $45^{\circ}20'18''$ East, a distance of
7 125.43 feet to a calculated point;

8 23. South $53^{\circ}38'49''$ East, a distance of 589.06 feet to a
9 calculated point for a point of curvature to the right;

10 24. Following said curve to the right, having a radius of
11 720.83 feet, a delta angle of $20^{\circ}51'58''$, an arc length of 262.52
12 feet, and a chord which bears South $43^{\circ}12'50''$ East, a distance of
13 261.07 feet to a calculated point;

14 25. South $32^{\circ}49'11''$ East, a distance of 345.55 feet to a
15 calculated point for a point of curvature to the left;

16 26. Following said curve to the left, having a radius of
17 782.00 feet, a delta angle of $30^{\circ}06'07''$, an arc length of 410.85
18 feet, and a chord which bears South $47^{\circ}52'15''$ East, a distance of
19 406.14 feet to a calculated point;

20 27. South $62^{\circ}55'18''$ East, a distance of 878.22 feet to a
21 calculated point for a point of curvature to the right;

22 28. Following said curve to the right, having a radius of
23 668.00 feet, a delta angle of $90^{\circ}00'00''$, an arc length of 1049.30
24 feet, and a chord which bears South $17^{\circ}55'18''$ East, a distance of
25 944.70 feet to a calculated point;

26 29. South $62^{\circ}55'18''$ East, a distance of 7.00 feet to a
27 calculated point;

1 30. South 27°04'42" West, a distance of 1195.83 feet to a
2 calculated point;

3 31. South 62°55'18" East, a distance of 582.76 feet to a
4 calculated point in the east line of said 103.415 acre tract, same
5 being in the northwest right-of-way line of F.M. 1625;

6 THENCE South 27°05'45" West, with the east line of said
7 103.415 acre tract, same being the west right-of-way line of F.M.
8 1625, a distance of 1273.54 feet to the POINT OF BEGINNING,
9 containing 468.280 acres of land, more or less.

10 SAVE AND EXCEPT TRACT: 0.458 ACRES

11 BEGINNING at a 1/2" rebar found for the southeast corner of
12 said 21,064 square foot tract, same being a point in the south line
13 of said 12.7 acre tract, also being a point in the north line of said
14 37.390 acre tract, from which a 1/2" rebar with "Chaparral
15 Boundary" cap found for the northeast corner of said 37.390 acre
16 tract, same being the southeast corner of said 12.7 acre tract, also
17 being a point in the west line of said 198.302 acre tract, bears
18 South 62°15'58" West, a distance of 34.88 feet;

19 THENCE North 62°15'58" West, with the south line of said 12.7
20 acre tract, same being the north line of said 37.390 acre tract, a
21 distance of 84.16 feet to a 1/2" rebar with cap set for the
22 southwest corner of said 21,064 square foot tract;

23 THENCE crossing said 12.7 acre tract, the following three (3)
24 courses and distances:

25 1. North 27°03'32" East, a distance of 251.09 feet to a 1/2"
26 rebar found;

27 2. South 62°00'51" East, a distance of 84.16 feet to a 1/2"

1 rebar found;

2 3. South 27°03'32" West, a distance of 250.72 feet to the
3 POINT OF BEGINNING, containing 0.458 acres of land, more or less.

4 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
5 that:

6 (1) The development or redevelopment in the area in the
7 proposed Austin Desired Development Zone District No. 2 would not
8 occur solely through private investment in the reasonably
9 foreseeable future;

10 (2) The area in the proposed Austin Desired Development Zone
11 District No. 2 is unproductive and underdeveloped; and

12 (3) The conditions in the area of the proposed Austin
13 Desired Development Zone District No. 2 substantially arrest or
14 impair the sound growth of the area, are an economic or social
15 liability, and present a menace to the public health, safety,
16 morals, or welfare.

17 SECTION 4. (a) The legal notice of the intention to
18 introduce this Act, setting forth the general substance of this
19 Act, has been published as provided by law, and the notice and a
20 copy of this Act have been furnished to all persons, agencies,
21 officials, or entities to which they are required to be furnished
22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
23 Government Code.

24 (b) The governor, one of the required recipients, has
25 submitted the notice and Act to the Texas Commission on
26 Environmental Quality.

27 (c) The Texas Commission on Environmental Quality has filed

1 its recommendations relating to this Act with the governor,
2 lieutenant governor, and speaker of the house of representatives
3 within the required time.

4 (d) The general law relating to consent by political
5 subdivisions to the creation of districts with conservation,
6 reclamation, and road powers and the inclusion of land in those
7 districts has been complied with.

8 (e) All requirements of the constitution and laws of this
9 state and the rules and procedures of the legislature with respect
10 to the notice, introduction, and passage of this Act have been
11 fulfilled and accomplished.

12 SECTION 5. EFFECTIVE DATE. This Act takes effect
13 immediately if it receives a vote of two-thirds of all the members
14 elected to each house, as provided by Section 39, Article III, Texas
15 Constitution. If this Act does not receive the vote necessary for
16 immediate effect, this Act takes effect September 1, 2009.