

AN ACT

relating to the powers and duties of Harris County Improvement District No. 5; providing authority to impose a tax and issue bonds.

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

SECTION 1. Subchapter C, Chapter 3834, Special District Local Laws Code, is amended by adding Sections 3834.110, 3834.111, and 3834.112 to read as follows:

Sec. 3834.110. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Sec. 3834.111. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

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

(2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter 380, Local Government Code.

Sec. 3834.112. TAX INCREMENT REINVESTMENT ZONES. (a) The district is authorized to establish and implement tax increment

1 reinvestment zones as provided in Chapter 311, Tax Code, in the same
2 manner as a municipality.

3 (b) All or any part of the district may be included in a tax
4 increment reinvestment zone, regardless of the percentage of total
5 value the land represents to the district as a whole, or whether the
6 land is used for residential purposes.

7 (c) Section 311.006, Tax Code, does not apply to a
8 reinvestment zone that contains land within the district.

9 SECTION 2. Section 3834.156(b), Special District Local Laws
10 Code, is amended to read as follows:

11 (b) The district may borrow money according to terms and
12 conditions determined by the board. Section 375.205, Local
13 Government Code, does not apply to a loan, line of credit, or other
14 borrowing from a bank or financial institution secured by revenue
15 other than ad valorem taxes. [~~In exercising the district's power~~
16 ~~to borrow, the district may issue a bond or other obligation in the~~
17 ~~form of a bond, note, certificate of participation or other~~
18 ~~instrument evidencing a proportionate interest in payments to be~~
19 ~~made by the district, or other type of obligation.]~~

20 SECTION 3. Section 3834.159, Special District Local Laws
21 Code, is amended to read as follows:

22 Sec. 3834.159. COMPETITIVE BIDDING. Section 375.221, Local
23 Government Code, applies to the district only for a contract that
24 has a value greater than \$50,000 [~~\$25,000~~].

25 SECTION 4. Chapter 3834, Special District Local Laws Code,
26 is amended by adding Subchapter F to read as follows:

1 SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED

2 PROPERTY

3 Sec. 3834.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR
4 DESIGNATED PROPERTY. The district may define areas or designate
5 certain property of the district to pay for improvements,
6 facilities, or services that primarily benefit that area or
7 property and do not generally and directly benefit the district as a
8 whole.

9 Sec. 3834.252. PROCEDURE FOR ELECTION. (a) Before the
10 district may impose an ad valorem tax or issue bonds payable from ad
11 valorem taxes of the area defined or property designated under
12 Section 3834.251, the board must call and hold an election as
13 provided by Section 3834.157 only in the defined area or in the
14 boundaries of the designated property.

15 (b) The board may submit the proposition to the voters on
16 the same ballot to be used in another election.

17 Sec. 3834.253. DECLARING RESULT AND ISSUING ORDER. (a) If
18 a majority of the voters voting at the election approve the
19 proposition or propositions, the board shall declare the results
20 and by order shall establish the defined area and describe it by
21 metes and bounds or designate the specific property.

22 (b) A court may not review the board's order except on the
23 ground of fraud, palpable error, or arbitrary and confiscatory
24 abuse of discretion.

25 Sec. 3834.254. TAXES FOR SERVICES, IMPROVEMENTS, AND
26 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
27 approval and adoption of the order described in Section 3834.253,

1 the district may apply separately, differently, equitably, and
2 specifically its taxing power and lien authority to the defined
3 area or designated property to provide money to construct,
4 administer, maintain, and operate services, improvements, and
5 facilities that primarily benefit the defined area or designated
6 property.

7 Sec. 3834.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES
8 FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under
9 Section 3834.253 is adopted, the district may issue bonds to
10 provide for any land, improvements, facilities, plants, equipment,
11 and appliances for the defined area or designated property.

12 SECTION 5. (a) The legislature validates and confirms all
13 acts and proceedings of the Board of Directors of Harris County
14 Improvement District No. 5 that were taken before the effective
15 date of this Act.

16 (b) Subsection (a) of this section does not apply to any
17 matter that on the effective date of this Act:

18 (1) is involved in litigation if the litigation
19 ultimately results in the matter being held invalid by a final
20 judgment of a court; or

21 (2) has been held invalid by a final judgment of a
22 court.

23 SECTION 6. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

3 (b) The governor, one of the required recipients, has
4 submitted the notice and Act to the Texas Commission on
5 Environmental Quality.

6 (c) The Texas Commission on Environmental Quality has filed
7 its recommendations relating to this Act with the governor,
8 lieutenant governor, and speaker of the house of representatives
9 within the required time.

10 (d) The general law relating to consent by political
11 subdivisions to the creation of districts with conservation,
12 reclamation, and road powers and the inclusion of land in those
13 districts has been complied with.

14 (e) All requirements of the constitution and laws of this
15 state and the rules and procedures of the legislature with respect
16 to the notice, introduction, and passage of this Act have been
17 fulfilled and accomplished.

18 SECTION 7. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 4771 was passed by the House on May 15, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4771 was passed by the Senate on May 27, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor