

1-1 By: Allen (Senate Sponsor - Ellis) H.B. No. 4771
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 23, 2009, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the powers and duties of Harris County Improvement
1-9 District No. 5; providing authority to impose a tax and issue bonds.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter C, Chapter 3834, Special District
1-12 Local Laws Code, is amended by adding Sections 3834.110, 3834.111,
1-13 and 3834.112 to read as follows:

1-14 Sec. 3834.110. ANNEXATION OR EXCLUSION OF LAND. (a) The
1-15 district may annex land as provided by Subchapter J, Chapter 49,
1-16 Water Code.

1-17 (b) The district may exclude land as provided by Subchapter
1-18 J, Chapter 49, Water Code. Section 375.044(b), Local Government
1-19 Code, does not apply to the district.

1-20 Sec. 3834.111. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
1-21 district may establish and provide for the administration of one or
1-22 more programs to promote state or local economic development and to
1-23 stimulate business and commercial activity in the district,
1-24 including programs to:

1-25 (1) make loans and grants of public money; and

1-26 (2) provide district personnel and services.

1-27 (b) The district has all of the powers of a municipality
1-28 under Chapter 380, Local Government Code.

1-29 Sec. 3834.112. TAX INCREMENT REINVESTMENT ZONES. (a) The
1-30 district is authorized to establish and implement tax increment
1-31 reinvestment zones as provided in Chapter 311, Tax Code, in the same
1-32 manner as a municipality.

1-33 (b) All or any part of the district may be included in a tax
1-34 increment reinvestment zone, regardless of the percentage of total
1-35 value the land represents to the district as a whole, or whether the
1-36 land is used for residential purposes.

1-37 (c) Section 311.006, Tax Code, does not apply to a
1-38 reinvestment zone that contains land within the district.

1-39 SECTION 2. Section 3834.156(b), Special District Local Laws
1-40 Code, is amended to read as follows:

1-41 (b) The district may borrow money according to terms and
1-42 conditions determined by the board. Section 375.205, Local
1-43 Government Code, does not apply to a loan, line of credit, or other
1-44 borrowing from a bank or financial institution secured by revenue
1-45 other than ad valorem taxes. [In exercising the district's power
1-46 to borrow, the district may issue a bond or other obligation in the
1-47 form of a bond, note, certificate of participation or other
1-48 instrument evidencing a proportionate interest in payments to be
1-49 made by the district, or other type of obligation.]

1-50 SECTION 3. Section 3834.159, Special District Local Laws
1-51 Code, is amended to read as follows:

1-52 Sec. 3834.159. COMPETITIVE BIDDING. Section 375.221, Local
1-53 Government Code, applies to the district only for a contract that
1-54 has a value greater than \$50,000 [~~\$25,000~~].

1-55 SECTION 4. Chapter 3834, Special District Local Laws Code,
1-56 is amended by adding Subchapter F to read as follows:

1-57 SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED
1-58 PROPERTY

1-59 Sec. 3834.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR
1-60 DESIGNATED PROPERTY. The district may define areas or designate
1-61 certain property of the district to pay for improvements,
1-62 facilities, or services that primarily benefit that area or
1-63 property and do not generally and directly benefit the district as a
1-64 whole.

1-65 Sec. 3834.252. PROCEDURE FOR ELECTION. (a) Before the
1-66 district may impose an ad valorem tax or issue bonds payable from ad

2-1 valorem taxes of the area defined or property designated under
2-2 Section 3834.251, the board must call and hold an election as
2-3 provided by Section 3834.157 only in the defined area or in the
2-4 boundaries of the designated property.

2-5 (b) The board may submit the proposition to the voters on
2-6 the same ballot to be used in another election.

2-7 Sec. 3834.253. DECLARING RESULT AND ISSUING ORDER. (a) If
2-8 a majority of the voters voting at the election approve the
2-9 proposition or propositions, the board shall declare the results
2-10 and by order shall establish the defined area and describe it by
2-11 metes and bounds or designate the specific property.

2-12 (b) A court may not review the board's order except on the
2-13 ground of fraud, palpable error, or arbitrary and confiscatory
2-14 abuse of discretion.

2-15 Sec. 3834.254. TAXES FOR SERVICES, IMPROVEMENTS, AND
2-16 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
2-17 approval and adoption of the order described in Section 3834.253,
2-18 the district may apply separately, differently, equitably, and
2-19 specifically its taxing power and lien authority to the defined
2-20 area or designated property to provide money to construct,
2-21 administer, maintain, and operate services, improvements, and
2-22 facilities that primarily benefit the defined area or designated
2-23 property.

2-24 Sec. 3834.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES
2-25 FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under
2-26 Section 3834.253 is adopted, the district may issue bonds to
2-27 provide for any land, improvements, facilities, plants, equipment,
2-28 and appliances for the defined area or designated property.

2-29 SECTION 5. (a) The legislature validates and confirms all
2-30 acts and proceedings of the Board of Directors of Harris County
2-31 Improvement District No. 5 that were taken before the effective
2-32 date of this Act.

2-33 (b) Subsection (a) of this section does not apply to any
2-34 matter that on the effective date of this Act:

2-35 (1) is involved in litigation if the litigation
2-36 ultimately results in the matter being held invalid by a final
2-37 judgment of a court; or

2-38 (2) has been held invalid by a final judgment of a
2-39 court.

2-40 SECTION 6. (a) The legal notice of the intention to
2-41 introduce this Act, setting forth the general substance of this
2-42 Act, has been published as provided by law, and the notice and a
2-43 copy of this Act have been furnished to all persons, agencies,
2-44 officials, or entities to which they are required to be furnished
2-45 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2-46 Government Code.

2-47 (b) The governor, one of the required recipients, has
2-48 submitted the notice and Act to the Texas Commission on
2-49 Environmental Quality.

2-50 (c) The Texas Commission on Environmental Quality has filed
2-51 its recommendations relating to this Act with the governor,
2-52 lieutenant governor, and speaker of the house of representatives
2-53 within the required time.

2-54 (d) The general law relating to consent by political
2-55 subdivisions to the creation of districts with conservation,
2-56 reclamation, and road powers and the inclusion of land in those
2-57 districts has been complied with.

2-58 (e) All requirements of the constitution and laws of this
2-59 state and the rules and procedures of the legislature with respect
2-60 to the notice, introduction, and passage of this Act have been
2-61 fulfilled and accomplished.

2-62 SECTION 7. This Act takes effect immediately if it receives
2-63 a vote of two-thirds of all the members elected to each house, as
2-64 provided by Section 39, Article III, Texas Constitution. If this
2-65 Act does not receive the vote necessary for immediate effect, this
2-66 Act takes effect September 1, 2009.

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