

1-1 By: Coleman (Senate Sponsor - Ellis) H.B. No. 4827
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 adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; May 23, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 4827 By: Gallegos

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of Harris County Improvement District No.
1-11 20; providing authority to impose a tax and issue bonds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 20.
1-14 Subtitle C, Title 4, Special District Local Laws Code, is amended by
1-15 adding Chapter 3893 to read as follows:

1-16 CHAPTER 3893. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 20

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3893.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the board of directors of the
1-20 district.

1-21 (2) "Director" means a board member.

1-22 (3) "District" means the Harris County Improvement
1-23 District No. 20.

1-24 Sec. 3893.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO.
1-25 20. The Harris County Improvement District No. 20 is a special
1-26 district created under Section 59, Article XVI, Texas Constitution.

1-27 Sec. 3893.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-28 creation of the district is essential to accomplish the purposes of
1-29 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-30 Texas Constitution, and other public purposes stated in this
1-31 chapter. By creating the district and in authorizing Harris
1-32 County, the City of Houston, the Metropolitan Transit Authority of
1-33 Harris County, and other political subdivisions to contract with
1-34 the district, the legislature has established a program to
1-35 accomplish the public purposes set out in Section 52-a, Article
1-36 III, Texas Constitution.

1-37 (b) The creation of the district is necessary to promote,
1-38 develop, encourage, and maintain employment, commerce,
1-39 transportation, housing, tourism, recreation, the arts,
1-40 entertainment, economic development, safety, and the public
1-41 welfare in the area of the district.

1-42 (c) This chapter and the creation of the district may not be
1-43 interpreted to relieve Harris County or the City of Houston from
1-44 providing the level of services provided as of the effective date of
1-45 the Act creating this chapter to the area in the district or to
1-46 release the county or the city from the obligations of each entity
1-47 to provide services to that area. The district is created to
1-48 supplement and not to supplant the county or city services provided
1-49 in the area in the district.

1-50 Sec. 3893.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-51 The district is created to serve a public use and benefit.

1-52 (b) All land and other property included in the district
1-53 will benefit from the improvements and services to be provided by
1-54 the district under powers conferred by Sections 52 and 52-a,
1-55 Article III, and Section 59, Article XVI, Texas Constitution, and
1-56 other powers granted under this chapter.

1-57 (c) Each improvement project or service authorized by this
1-58 chapter is essential to carry out a public purpose.

1-59 (d) The creation of the district is in the public interest
1-60 and is essential to:

1-61 (1) further the public purposes of developing and
1-62 diversifying the economy of the state;

1-63 (2) eliminate unemployment and underemployment; and

2-1 (3) develop or expand transportation and commerce.
2-2 (e) The district will:
2-3 (1) promote the health, safety, and general welfare of
2-4 residents, employers, employees, visitors, and consumers in the
2-5 district, and of the public;
2-6 (2) provide needed funding for the district to
2-7 preserve, maintain, and enhance the economic health and vitality of
2-8 the area as a community and business center;
2-9 (3) promote the health, safety, welfare, and enjoyment
2-10 of the public by providing public art and pedestrian ways and by
2-11 landscaping and developing certain areas in the district, which are
2-12 necessary for the restoration, preservation, and enhancement of
2-13 scenic and aesthetic beauty;
2-14 (4) promote and benefit commercial development and
2-15 commercial areas in the district; and
2-16 (5) promote and develop public transportation and
2-17 pedestrian facilities and systems using new and alternative means
2-18 that are attractive, safe, and convenient, including securing
2-19 expanded and improved transportation and pedestrian facilities and
2-20 systems, to:
2-21 (A) address the problem of traffic congestion in
2-22 the district, the need to control traffic and improve pedestrian
2-23 safety, and the limited availability of money; and
2-24 (B) benefit the land and other property in the
2-25 district and the residents, employers, employees, visitors, and
2-26 consumers in the district and the public.
2-27 (f) Pedestrian ways along or across a street, whether at
2-28 grade or above or below the surface, and street lighting, street
2-29 landscaping, and street art objects are parts of and necessary
2-30 components of a street and are considered to be a street or road
2-31 improvement.
2-32 (g) The district will not act as the agent or
2-33 instrumentality of any private interest even though the district
2-34 will benefit many private interests as well as the public.
2-35 Sec. 3893.005. DISTRICT TERRITORY. (a) The district is
2-36 composed of the territory described by Section 2 of the Act creating
2-37 this chapter, as that territory may have been modified under:
2-38 (1) Section 3893.251;
2-39 (2) Subchapter J, Chapter 49, Water Code; or
2-40 (3) other law.
2-41 (b) The boundaries and field notes of the district contained
2-42 in Section 2 of the Act creating this chapter form a closure. A
2-43 mistake in the field notes or in copying the field notes in the
2-44 legislative process does not in any way affect:
2-45 (1) the district's organization, existence, and
2-46 validity;
2-47 (2) the district's right to issue any type of bond,
2-48 including a refunding bond, for a purpose for which the district is
2-49 created or to pay the principal of and interest on the bond;
2-50 (3) the district's right to impose and collect an
2-51 assessment or tax; or
2-52 (4) the legality or operation of the district or the
2-53 board.
2-54 (c) A description of the district's boundaries shall be
2-55 filed with the Texas Commission on Environmental Quality. The
2-56 commission by order may correct a mistake in the description of the
2-57 district's boundaries.
2-58 Sec. 3893.006. LIBERAL CONSTRUCTION OF CHAPTER. This
2-59 chapter shall be liberally construed in conformity with the
2-60 findings and purposes stated in this chapter.
2-61 [Sections 3893.007-3893.050 reserved for expansion]
2-62 SUBCHAPTER B. BOARD OF DIRECTORS
2-63 Sec. 3893.051. BOARD OF DIRECTORS; TERMS. (a) The district
2-64 is governed by a board of five voting directors appointed by a
2-65 majority of the members of the governing body, including the mayor,
2-66 of the City of Houston. Voting directors serve staggered terms of
2-67 four years with two or three directors' terms expiring June 1 of
2-68 each odd-numbered year.
2-69 (b) The board by order or resolution may increase or

- 3-1 decrease the number of voting directors on the board, but only if a
3-2 majority of the voting directors finds that it is in the best
3-3 interest of the district to do so. The board may not:
3-4 (1) increase the number of voting directors to more
3-5 than nine; or
3-6 (2) decrease the number of voting directors to fewer
3-7 than five.
3-8 (c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and
3-9 49.060, Water Code, apply to the board.
3-10 (d) Subchapter D, Chapter 375, Local Government Code,
3-11 applies to the board to the extent that subchapter does not conflict
3-12 with this chapter.
3-13 Sec. 3893.052. APPOINTMENT OF DIRECTORS ON INCREASE IN
3-14 BOARD SIZE. If the board increases the number of directors under
3-15 Section 3893.051, the board shall appoint eligible persons to fill
3-16 the new director positions and shall provide for the staggering of
3-17 terms of the new directors. On expiration of the term of a director
3-18 appointed under this section, a succeeding director shall be
3-19 appointed and qualified as provided by Subchapter D, Chapter 375,
3-20 Local Government Code. The mayor and members of the governing body
3-21 of the City of Houston shall appoint voting directors from persons
3-22 recommended by the board. A person is appointed if a majority of
3-23 the members of the governing body, including the mayor, vote to
3-24 appoint that person.
3-25 Sec. 3893.053. NONVOTING DIRECTORS. (a) The following
3-26 persons shall serve as nonvoting directors:
3-27 (1) the directors of the following departments of the
3-28 City of Houston or a person designated by that director:
3-29 (A) parks and recreation;
3-30 (B) planning and development; and
3-31 (C) public works; and
3-32 (2) the City of Houston's chief of police.
3-33 (b) If a department described by Subsection (a) is
3-34 consolidated, renamed, or changed, the board may appoint a director
3-35 of the consolidated, renamed, or changed department as a nonvoting
3-36 director. If a department described by Subsection (a) is
3-37 abolished, the board may appoint a representative of another
3-38 department that performs duties comparable to the duties performed
3-39 by the abolished department.
3-40 Sec. 3893.054. QUORUM. (a) A majority of the voting
3-41 directors constitutes a quorum of the board.
3-42 (b) Nonvoting directors and vacant director positions are
3-43 not counted for the purposes of establishing a quorum of the board.
3-44 Sec. 3893.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.
3-45 (a) Except as provided by this section:
3-46 (1) a voting director may participate in all board
3-47 votes and decisions; and
3-48 (2) Chapter 171, Local Government Code, governs
3-49 conflicts of interest for directors.
3-50 (b) Section 171.004, Local Government Code, does not apply
3-51 to the district. A director who has a substantial interest in a
3-52 business or charitable entity that will receive a pecuniary benefit
3-53 from a board action shall file a one-time affidavit declaring the
3-54 interest. An additional affidavit is not required if the
3-55 director's interest changes. After the affidavit is filed with the
3-56 board secretary, the director may participate in a discussion or
3-57 vote on that action if:
3-58 (1) a majority of the directors have a similar
3-59 interest in the same entity; or
3-60 (2) all other similar business or charitable entities
3-61 in the district will receive a similar pecuniary benefit.
3-62 (c) A director who is also an officer or employee of a public
3-63 entity may not participate in the discussion of or vote on a matter
3-64 regarding a contract with that public entity.
3-65 (d) For purposes of this section, a director has a
3-66 substantial interest in a charitable entity in the same manner that
3-67 a person would have substantial interest in a business entity under
3-68 Section 171.002, Local Government Code.
3-69 Sec. 3893.056. COMPENSATION OF VOTING DIRECTORS. Voting

4-1 directors may receive fees of office and reimbursement of expenses
 4-2 as provided by Section 49.060, Water Code.

4-3 Sec. 3893.057. INITIAL VOTING DIRECTORS. (a) The initial
 4-4 board consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
4-5	<u>1</u>	<u>Percy Ly Melton</u>
4-6	<u>2</u>	<u>Orville Dunk</u>
4-7	<u>3</u>	<u>LaMonika Hurst</u>
4-8	<u>4</u>	<u>Elizabeth Choate</u>
4-9	<u>5</u>	<u>Rebecca Reyes</u>

4-10
 4-11 (b) Of the initial directors, the terms of directors serving
 4-12 in positions 1, 2, and 3 expire June 1, 2013, and the terms of
 4-13 directors serving in positions 4 and 5 expire June 1, 2011.

4-14 (c) Sections 3893.051(a) and (b) do not apply to the initial
 4-15 directors.

4-16 (d) This section expires September 1, 2013.

4-17 [Sections 3893.058-3893.100 reserved for expansion]

4-18 SUBCHAPTER C. POWERS AND DUTIES

4-19 Sec. 3893.101. DISTRICT POWERS. The district may exercise
 4-20 the powers given to:

4-21 (1) a district created under Chapter 375, Local
 4-22 Government Code;

4-23 (2) a district by Subchapters H and I, Chapter 49,
 4-24 Water Code;

4-25 (3) a corporation under Chapter 505, Local Government
 4-26 Code, including the power to own, operate, acquire, construct,
 4-27 lease, improve, and maintain the projects described by that
 4-28 chapter; and

4-29 (4) a housing finance corporation created under
 4-30 Chapter 394, Local Government Code, to provide housing or
 4-31 residential development projects in the district.

4-32 Sec. 3893.102. NONPROFIT CORPORATION. (a) The board by
 4-33 resolution may authorize the creation of a nonprofit corporation to
 4-34 assist and act for the district in implementing a project or
 4-35 providing a service authorized by this chapter.

4-36 (b) The nonprofit corporation:

4-37 (1) has each power of and is considered for purposes of
 4-38 this chapter to be a local government corporation created under
 4-39 Chapter 431, Transportation Code; and

4-40 (2) may implement any project and provide any service
 4-41 authorized by this chapter.

4-42 (c) The board shall appoint the board of directors of the
 4-43 nonprofit corporation. The board of directors of the nonprofit
 4-44 corporation shall serve in the same manner as, for the same term as,
 4-45 and on the same conditions as the board of directors of a local
 4-46 government corporation created under Chapter 431, Transportation
 4-47 Code.

4-48 Sec. 3893.103. AGREEMENTS; GRANTS. (a) The district may
 4-49 make an agreement with or accept a gift, grant, or loan from any
 4-50 person.

4-51 (b) The implementation of a project is a governmental
 4-52 function or service for the purposes of Chapter 791, Government
 4-53 Code.

4-54 Sec. 3893.104. ELECTIONS. (a) District elections must be
 4-55 held in the manner provided by Subchapter L, Chapter 375, Local
 4-56 Government Code.

4-57 (b) The board may submit multiple purposes in a single
 4-58 proposition at an election.

4-59 Sec. 3893.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY
 4-60 SERVICES. The district may contract with:

4-61 (1) Harris County or the City of Houston for the county
 4-62 or city to provide law enforcement and security services in the
 4-63 district for a fee; or

4-64 (2) a private entity for the private entity to provide
 4-65 supplemental security services.

4-66 Sec. 3893.106. ANNEXATION OR EXCLUSION OF TERRITORY. The
 4-67 district may annex or exclude land from the district in the manner
 4-68 provided by Subchapter C, Chapter 375, Local Government Code.

4-69 Sec. 3893.107. APPROVAL BY CITY OF HOUSTON. (a) Except as

5-1 provided by Subsection (b), the district must obtain the approval
5-2 of the City of Houston's governing body for:
5-3 (1) the issuance of a bond for each improvement
5-4 project;
5-5 (2) the plans and specifications of the improvement
5-6 project financed by the bond; and
5-7 (3) the plans and specifications of any district
5-8 improvement project related to the use of land owned by the City of
5-9 Houston, an easement granted by the City of Houston, or a
5-10 right-of-way of a street, road, or highway.

5-11 (b) If the district obtains the approval of the City of
5-12 Houston's governing body of a capital improvements budget for a
5-13 period not to exceed five years, the district may finance the
5-14 capital improvements and issue bonds specified in the budget
5-15 without further approval from the City of Houston.

5-16 Sec. 3893.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
5-17 district may join and pay dues to an organization that:

5-18 (1) enjoys tax-exempt status under Section 501(c)(3),
5-19 (4), or (6), Internal Revenue Code of 1986; and

5-20 (2) performs a service or provides an activity
5-21 consistent with promoting a district purpose.

5-22 Sec. 3893.109. ROAD POWERS. The district may exercise
5-23 powers given to:

5-24 (1) a road district created under Chapter 257,
5-25 Transportation Code; and

5-26 (2) a road utility district created under Chapter 441,
5-27 Transportation Code.

5-28 Sec. 3893.110. AIR RIGHTS; CONSTRUCTION. The district may
5-29 acquire air rights and may construct improvements on property on
5-30 which it owns only air rights.

5-31 Sec. 3893.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The
5-32 district may construct improvements on property on which it only
5-33 has a leasehold interest and may own undivided interests in
5-34 buildings and other improvements.

5-35 Sec. 3893.112. NO EMINENT DOMAIN POWER. The district may
5-36 not exercise the power of eminent domain.

5-37 [Sections 3893.113-3893.150 reserved for expansion]

5-38 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

5-39 Sec. 3893.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

5-40 (a) The district may acquire, lease as lessor or lessee, construct,
5-41 develop, own, operate, and maintain a public transit system to
5-42 serve the area within the boundaries of the district.

5-43 (b) The board may not act under Subsection (a) unless a
5-44 written petition requesting the action has been filed with the
5-45 board.

5-46 (c) The petition must be signed by:

5-47 (1) the owners of property representing a majority of
5-48 the total assessed value of the real property in the district that
5-49 abuts the right-of-way in which the public transit system is
5-50 proposed to be located; or

5-51 (2) the owners of a majority of the area of the real
5-52 property in the district that abuts the right-of-way in which the
5-53 public transit system is proposed to be located.

5-54 (d) For purposes of Subsection (c), the determination of a
5-55 majority is based on the property owners along the entire
5-56 right-of-way of the proposed transit project and may not be
5-57 calculated on a block-by-block basis.

5-58 Sec. 3893.152. PARKING FACILITIES AUTHORIZED; OPERATION BY
5-59 PRIVATE ENTITY. (a) The district may acquire, lease as lessor or
5-60 lessee, construct, develop, own, operate, and maintain parking
5-61 facilities, including:

5-62 (1) lots, garages, parking terminals, or other
5-63 structures or accommodations for the parking of motor vehicles; and

5-64 (2) equipment, entrances, exits, fencing, and other
5-65 accessories necessary for safety and convenience in the parking of
5-66 vehicles.

5-67 (b) A parking facility of the district must be either leased
5-68 to or operated on behalf of the district by a private entity or an
5-69 entity other than the district. The district's parking facilities

6-1 are a program authorized by the legislature under Section 52-a,
6-2 Article III, Texas Constitution, and accomplish a public purpose
6-3 under that section even if leased or operated by a private entity
6-4 for a term of years.

6-5 Sec. 3893.153. RULES. The district may adopt rules
6-6 covering its public transit system or its public parking
6-7 facilities, except that a rule relating to or affecting the use of
6-8 the public right-of-way or a requirement for off-street parking is
6-9 subject to all applicable municipal charter, code, or ordinance
6-10 requirements.

6-11 Sec. 3893.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
6-12 PARKING FACILITIES. (a) The district may use any of its resources,
6-13 including revenue, assessments, taxes, and grant or contract
6-14 proceeds, to pay the cost of acquiring and operating a public
6-15 transit system or public parking facilities.

6-16 (b) The district may set and impose fees, charges, or tolls
6-17 for the use of the public transit system or the public parking
6-18 facilities and may issue bonds or notes to finance the cost of these
6-19 facilities.

6-20 (c) Except as provided by Section 3893.151, if the district
6-21 pays for or finances the cost of acquiring or operating a public
6-22 transit system or public parking facilities with resources other
6-23 than assessments, a petition of property owners or a public hearing
6-24 is not required.

6-25 Sec. 3893.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING
6-26 UNIT. If the district's acquisition of property for a parking
6-27 facility that is leased to or operated by a private entity results
6-28 in the removal from a taxing unit's tax rolls of real property
6-29 otherwise subject to ad valorem taxation, the district shall pay to
6-30 the taxing unit in which the property is located, on or before
6-31 January 1 of each year, as a payment in lieu of taxes, an amount
6-32 equal to the ad valorem taxes that otherwise would have been imposed
6-33 for the preceding tax year on that real property by the taxing unit,
6-34 without including the value of any improvements constructed on the
6-35 property.

6-36 Sec. 3893.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a)
6-37 In this section, "authority" means a rapid transit authority
6-38 created under Chapter 451, Transportation Code.

6-39 (b) The district and an authority may agree to jointly
6-40 construct, own, operate, and maintain a transit facility or a
6-41 parking facility under the terms the authority and district desire.

6-42 (c) The agreement may provide that the district and the
6-43 authority exchange or trade land provided that each party to the
6-44 agreement receives fair market value. The authority is not
6-45 required to offer any property that it proposes to trade to the
6-46 district for sale to the public or for sale to any abutting property
6-47 owner.

6-48 [Sections 3893.157-3893.200 reserved for expansion]

6-49 SUBCHAPTER E. FINANCIAL PROVISIONS

6-50 Sec. 3893.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM
6-51 TAXES, AND IMPACT FEES. The district may impose, assess, charge, or
6-52 collect an assessment, an ad valorem tax, an impact fee, or another
6-53 fee in accordance with Chapter 49, Water Code, for a purpose
6-54 specified by Chapter 375, Local Government Code, or as needed to
6-55 exercise a power or function of the district or to accomplish a
6-56 purpose or duty for which the district was created.

6-57 Sec. 3893.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The
6-58 board by resolution shall establish the number of directors'
6-59 signatures and the procedure required for a disbursement or
6-60 transfer of the district's money.

6-61 Sec. 3893.203. ASSESSMENT IN PART OF DISTRICT. An
6-62 assessment may be imposed on only a part of the district if only
6-63 that part will benefit from the service or improvement.

6-64 Sec. 3893.204. PETITION REQUIRED FOR ASSESSMENT AND FOR
6-65 FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose
6-66 an assessment or finance a service or improvement project under
6-67 this chapter unless a written petition requesting the improvement
6-68 or service has been filed with the board.

6-69 (b) The petition must be signed by:

7-1 (1) the owners of a majority of the assessed value of
7-2 real property in the district subject to assessment according to
7-3 the most recent certified tax appraisal roll for Harris County; or

7-4 (2) at least 25 owners of real property in the district
7-5 that will be subject to the assessment, if more than 25 persons own
7-6 real property subject to the assessment in the district according
7-7 to the most recent certified tax appraisal roll for Harris County.

7-8 (c) The board may act upon a petition, required under this
7-9 section, signed by qualified petitioners prior to or subsequent to
7-10 the enactment of this chapter.

7-11 Sec. 3893.205. MAINTENANCE TAX. (a) If authorized at an
7-12 election held in accordance with Section 3893.104, the district may
7-13 impose an annual ad valorem tax on taxable property in the district
7-14 to:

- 7-15 (1) administer the district;
- 7-16 (2) maintain and operate the district;
- 7-17 (3) construct or acquire improvements; or
- 7-18 (4) provide a service.

7-19 (b) The board shall determine the tax rate.

7-20 (c) An owner of real property in the district, except
7-21 property exempt under the Texas or United States Constitution or
7-22 under the Tax Code, is liable for the payment of ad valorem taxes
7-23 imposed by the district on the property.

7-24 Sec. 3893.206. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
7-25 The board by resolution may impose and collect an assessment for any
7-26 purpose authorized by this chapter.

7-27 (b) An assessment, a reassessment, or an assessment
7-28 resulting from an addition to or correction of the assessment roll
7-29 by the district, penalties and interest on an assessment or
7-30 reassessment, an expense of collection, and reasonable attorney's
7-31 fees incurred by the district:

- 7-32 (1) are a first and prior lien against the property
7-33 assessed;
- 7-34 (2) are superior to any other lien or claim other than
7-35 a lien or claim for county, school district, or municipal ad valorem
7-36 taxes; and
- 7-37 (3) are the personal liability of and a charge against
7-38 the owners of the property even if the owners are not named in the
7-39 assessment proceedings.

7-40 (c) The lien is effective from the date of the board's
7-41 resolution imposing the assessment until the date the assessment is
7-42 paid. The board may enforce the lien in the same manner that the
7-43 board may enforce an ad valorem tax lien against real property.

7-44 (d) The board may make a correction to or deletion from the
7-45 assessment roll that does not increase the amount of assessment of
7-46 any parcel of land without providing notice and holding a hearing in
7-47 the manner required for additional assessments.

7-48 Sec. 3893.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM
7-49 ASSESSMENT AND IMPACT FEES. The district may not impose an impact
7-50 fee or assessment on the property, including the equipment,
7-51 rights-of-way, facilities, or improvements, of:

- 7-52 (1) an electric utility or a power generation company
7-53 as defined by Section 31.002, Utilities Code;
- 7-54 (2) a gas utility as defined by Section 101.003 or
7-55 121.001, Utilities Code;
- 7-56 (3) a telecommunications provider as defined by
7-57 Section 51.002, Utilities Code; or
- 7-58 (4) a person who provides the public cable television
7-59 or advanced telecommunications services.

7-60 Sec. 3893.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The
7-61 district may impose an assessment to pay the cost of:

- 7-62 (1) burying or removing electrical power lines,
7-63 telephone lines, cable or fiber-optic lines, or any other type of
7-64 electrical or optical line;
- 7-65 (2) removing poles and any elevated lines using the
7-66 poles; and
- 7-67 (3) reconnecting the lines described by Subdivision
7-68 (2) to the buildings or other improvements to which the lines were
7-69 connected.

8-1 (b) The district may acquire, operate, or charge fees for
8-2 the use of the district conduits for:

- 8-3 (1) another person's:
- 8-4 (A) telecommunications network;
- 8-5 (B) fiber-optic cable; or
- 8-6 (C) electronic transmission line; or
- 8-7 (2) any other type of transmission line or supporting
8-8 facility.

8-9 (c) The district may not require a person to use a district
8-10 conduit.

8-11 Sec. 3893.209. BONDS AND OTHER OBLIGATIONS. (a) The
8-12 district may issue bonds, notes, or other obligations in accordance
8-13 with Subchapter J, Chapter 375, Local Government Code, payable
8-14 wholly or partly from assessments, impact fees, revenue, grants, or
8-15 other money of the district, or any combination of these sources of
8-16 money, to pay for any authorized district purpose.

8-17 (b) In exercising the district's power to borrow, the
8-18 district may issue a bond or other obligation in the form of a bond,
8-19 note, certificate of participation or other instrument evidencing a
8-20 proportionate interest in payments to be made by the district, or
8-21 other type of obligation.

8-22 Sec. 3893.210. LIMITS ON PARKS AND RECREATION BONDS. Bonds
8-23 issued to finance parks and recreational facilities may not exceed
8-24 one percent of the assessed value of the real property in the
8-25 district according to the most recent certified tax appraisal roll
8-26 for Harris County.

8-27 Sec. 3893.211. TAX AND BOND ELECTIONS. (a) The district
8-28 shall hold an election in the manner provided by Subchapter L,
8-29 Chapter 375, Local Government Code, to obtain voter approval before
8-30 the district imposes a maintenance tax or issues bonds payable from
8-31 ad valorem taxes.

8-32 (b) The board may not include more than one purpose in a
8-33 single proposition at an election to impose a maintenance tax or
8-34 issue bonds payable from ad valorem taxes.

8-35 (c) Section 375.243, Local Government Code, does not apply
8-36 to the district.

8-37 Sec. 3893.212. POWERS OF MUNICIPAL UTILITY DISTRICT TO
8-38 ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a)
8-39 The district has the powers of a municipal utility district under
8-40 Subchapter J, Chapter 54, Water Code, including the power to:

- 8-41 (1) implement a plan;
- 8-42 (2) issue bonds; and
- 8-43 (3) impose a tax in a defined area established under
8-44 that subchapter.

8-45 (b) The district may exercise the powers described by
8-46 Subsection (a) regardless of whether the district is composed of
8-47 the minimum number of acres provided by Section 54.801, Water Code.

8-48 Sec. 3893.213. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
8-49 OBLIGATIONS. Except as provided by Section 375.263, Local
8-50 Government Code, a municipality is not required to pay a bond, note,
8-51 or other obligation of the district.

8-52 Sec. 3893.214. COMPETITIVE BIDDING. Section 375.221, Local
8-53 Government Code, applies to the district only for a contract that
8-54 has a value greater than \$50,000.

8-55 [Sections 3893.215-3893.250 reserved for expansion]

8-56 SUBCHAPTER F. CONSOLIDATION

8-57 Sec. 3893.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT
8-58 DISTRICT. (a) The district may consolidate with one other
8-59 municipal management district that adjoins or has a boundary that
8-60 is within a two-mile radius of any boundary of the district. The
8-61 board may consolidate with one other district only if the district
8-62 to be consolidated has not issued bonds or notes secured by
8-63 assessments or ad valorem taxes or imposed taxes.

8-64 (b) To initiate consolidation, the board of a district shall
8-65 adopt a resolution proposing a consolidation and deliver a copy of
8-66 the resolution to the board of each district with which
8-67 consolidation is proposed.

8-68 Sec. 3893.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not
8-69 later than the 30th day after districts are consolidated under

9-1 Section 3893.251, the districts shall enter into an agreement
9-2 specifying the terms and conditions for consolidation. The terms
9-3 and conditions for consolidation must include:

9-4 (1) adoption of a name for the consolidated district;
9-5 (2) the number and apportionment of directors to serve
9-6 on the board of the consolidated district;

9-7 (3) the effective date of the consolidation;

9-8 (4) an agreement on finances for the consolidated
9-9 district, including disposition of funds, property, and other
9-10 assets of each district; and

9-11 (5) an agreement on governing the districts during the
9-12 transition period, including selection of officers.

9-13 Sec. 3893.253. NOTICE AND HEARING ON CONSOLIDATION. (a)
9-14 Each district's board shall publish notice and hold a public
9-15 hearing in its district regarding the terms and conditions for
9-16 consolidation of the districts. The board shall publish notice at
9-17 least once in a newspaper with general circulation in the affected
9-18 districts at least seven days before the hearing.

9-19 (b) After the hearing, each board by resolution must approve
9-20 the terms and conditions for consolidation by majority vote and
9-21 enter an order consolidating the districts.

9-22 (c) If the board of each involved district adopts a
9-23 resolution containing the terms and conditions for the
9-24 consolidation, the involved districts become consolidated.

9-25 Sec. 3893.254. GOVERNING CONSOLIDATED DISTRICTS. (a)
9-26 After two districts are consolidated, they become one district and
9-27 are governed as one district.

9-28 (b) During the period before the terms and conditions of the
9-29 agreement under Section 3893.252 take effect, the officers of each
9-30 district shall continue to act jointly as officers of the original
9-31 districts to settle the affairs of their respective districts.

9-32 (c) If one of the districts consolidated into one district
9-33 under this subchapter had powers at the time the districts were
9-34 consolidated that the other district being consolidated did not
9-35 have, the consolidated district may exercise within the original
9-36 boundaries of each district only the powers that belonged to that
9-37 original district. In territory annexed into a consolidated
9-38 district, the district may exercise any of the powers of the
9-39 original districts.

9-40 Sec. 3893.255. DEBTS OF ORIGINAL DISTRICTS. After two
9-41 districts are consolidated, the consolidated district shall
9-42 protect the debts and obligations of the original districts and
9-43 shall ensure that the debts and obligations are not impaired. If
9-44 the consolidated district has taxing authority, the debts may be
9-45 paid by taxes imposed on the land in the original districts as if
9-46 they had not consolidated or from contributions from the
9-47 consolidated district on terms stated in the consolidation
9-48 agreement.

9-49 Sec. 3893.256. ASSESSMENT AND COLLECTION OF TAXES. If the
9-50 consolidated district has taxing authority, the district shall
9-51 impose and collect taxes on all property in the district uniformly,
9-52 for maintenance and operation of the district.

9-53 Sec. 3893.257. FILING OF ORDER WITH COUNTY CLERK AND
9-54 EXECUTIVE DIRECTOR. The board shall keep in the records of the
9-55 consolidated district, recorded in the office of the county clerk
9-56 in each of the counties in the consolidated district, a
9-57 consolidation order issued by the board. The board shall file the
9-58 consolidation order with the executive director of the Texas
9-59 Commission on Environmental Quality.

9-60 [Sections 3893.258-3893.300 reserved for expansion]

9-61 SUBCHAPTER G. DISSOLUTION

9-62 Sec. 3893.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
9-63 DEBT. (a) The district may be dissolved as provided by Subchapter
9-64 M, Chapter 375, Local Government Code, except that Section 375.264,
9-65 Local Government Code, does not apply to the district. The board
9-66 may dissolve the district regardless of whether the district has
9-67 debt.

9-68 (b) If the district has debt when it is dissolved, the
9-69 district shall remain in existence solely for the purpose of

10-1 discharging its bonds or other obligations according to their
10-2 terms. The dissolution is effective when all debts have been
10-3 discharged.

10-4 SECTION 2. BOUNDARIES. On the effective date of this Act,
10-5 the Harris County Improvement District No. 20 includes all
10-6 territory generally bounded by the following described area:
10-7 UNLESS otherwise specified, the boundaries of this district will
10-8 travel along the centerline of each street included, and each
10-9 intersection will be the intersection of the centerlines of the
10-10 streets mentioned.

10-11 BEGINNING at the intersection of Interstate 610 and Mykawa
10-12 Road; thence in a southeasterly direction along Mykawa Road to the
10-13 southern boarder of Texas House District 147 (Harris County -
10-14 Brazoria County border along Clear Creek). Thence in a westerly
10-15 direction along the southern border of Texas House District 147 to
10-16 the border edge that runs North and South (east of Cullen
10-17 Boulevard.). Thence in a northerly direction along the edge of
10-18 Texas House District 147 that generally runs North and South up to
10-19 Interstate 610. Thence in an easterly direction along Interstate
10-20 610 to Mykawa Road at the point of BEGINNING.

10-21 SECTION 3. REIMBURSEMENT FOR COST OF CREATION. The Harris
10-22 County Improvement District No. 20 may reimburse the cost of
10-23 creating the district from assessments or other revenue created by
10-24 the district or consolidated district under Section 3893.251,
10-25 Special District Local Laws Code, as added by this Act.

10-26 SECTION 4. LEGISLATIVE FINDINGS. The legislature finds
10-27 that:

10-28 (1) proper and legal notice of the intention to
10-29 introduce this Act, setting forth the general substance of this
10-30 Act, has been published as provided by law, and the notice and a
10-31 copy of this Act have been furnished to all persons, agencies,
10-32 officials, or entities to which they are required to be furnished by
10-33 the constitution and laws of this state, including the governor,
10-34 who has submitted the notice and Act to the Texas Commission on
10-35 Environmental Quality;

10-36 (2) the Texas Commission on Environmental Quality has
10-37 filed its recommendations relating to this Act with the governor,
10-38 lieutenant governor, and speaker of the house of representatives
10-39 within the required time;

10-40 (3) the general law relating to consent by political
10-41 subdivisions to the creation of districts with conservation,
10-42 reclamation, and road powers and the inclusion of land in those
10-43 districts has been complied with; and

10-44 (4) all requirements of the constitution and laws of
10-45 this state and the rules and procedures of the legislature with
10-46 respect to the notice, introduction, and passage of this Act have
10-47 been fulfilled and accomplished.

10-48 SECTION 5. EFFECTIVE DATE. This Act takes effect
10-49 immediately if it receives a vote of two-thirds of all the members
10-50 elected to each house, as provided by Section 39, Article III, Texas
10-51 Constitution. If this Act does not receive the vote necessary for
10-52 immediate effect, this Act takes effect September 1, 2009.

10-53 * * * * *