

By: Coleman

H.B. No. 4828

A BILL TO BE ENTITLED

AN ACT

relating to the creation of Harris County Improvement District No. 12; providing authority to impose a tax and issue bonds.

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

SECTION 1. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 12. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3892 to read as follows:

CHAPTER 3892. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 12

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3892.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Harris County Improvement District No. 12.

Sec. 3892.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 12. The Harris County Improvement District No. 12 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3892.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, the Metropolitan Transit Authority of

1 Harris County, and other political subdivisions to contract with
2 the district, the legislature has established a program to
3 accomplish the public purposes set out in Section 52-a, Article
4 III, Texas Constitution.

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

10 (c) This chapter and the creation of the district may not be
11 interpreted to relieve Harris County or the City of Houston from
12 providing the level of services provided as of the effective date of
13 this Act to the area in the district or to release the county or the
14 city from the obligations of each entity to provide services to that
15 area. The district is created to supplement and not to supplant the
16 county or city services provided in the area in the district.

17 Sec. 3892.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
18 The district is created to serve a public use and benefit.

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

24 (c) Each improvement project or service authorized by this
25 chapter is essential to carry out a public purpose.

26 (d) The creation of the district is in the public interest
27 and is essential to:

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

3 (2) eliminate unemployment and underemployment; and

4 (3) develop or expand transportation and commerce.

5 (e) The district will:

6 (1) promote the health, safety, and general welfare of
7 residents, employers, employees, visitors, and consumers in the
8 district, and of the public;

9 (2) provide needed funding for the district to
10 preserve, maintain, and enhance the economic health and vitality of
11 the area as a community and business center;

12 (3) promote the health, safety, welfare, and enjoyment
13 of the public by providing public art and pedestrian ways and by
14 landscaping and developing certain areas in the district, which are
15 necessary for the restoration, preservation, and enhancement of
16 scenic and aesthetic beauty;

17 (4) promote and benefit commercial development and
18 commercial areas in the district; and

19 (5) promote and develop public transportation and
20 pedestrian facilities and systems using new and alternative means
21 that are attractive, safe, and convenient, including securing
22 expanded and improved transportation and pedestrian facilities and
23 systems, to:

24 (A) address the problem of traffic congestion in
25 the district, the need to control traffic and improve pedestrian
26 safety, and the limited availability of money; and

27 (B) benefit the land and other property in the

1 district and the residents, employers, employees, visitors, and
2 consumers in the district and the public.

3 (f) Pedestrian ways along or across a street, whether at
4 grade or above or below the surface, and street lighting, street
5 landscaping, and street art objects are parts of and necessary
6 components of a street and are considered to be a street or road
7 improvement.

8 (g) The district will not act as the agent or
9 instrumentality of any private interest even though the district
10 will benefit many private interests as well as the public.

11 Sec. 3892.005. DISTRICT TERRITORY. (a) The district is
12 composed of the territory described by Section 2 of the Act enacting
13 this chapter, as that territory may have been modified under:

- 14 (1) Section 3892.251;
15 (2) Subchapter J, Chapter 49, Water Code; or
16 (3) other law.

17 (b) The boundaries and field notes of the district contained
18 in Section 2 of the Act enacting this chapter form a closure. A
19 mistake in the field notes or in copying the field notes in the
20 legislative process does not in any way affect:

- 21 (1) the district's organization, existence, and
22 validity;
23 (2) the district's right to issue any type of bond,
24 including a refunding bond, for a purpose for which the district is
25 created or to pay the principal of and interest on the bond;
26 (3) the district's right to impose and collect an
27 assessment or tax; or

1 (4) the legality or operation of the district or the
2 board.

3 (c) A description of the district's boundaries shall be
4 filed with the Texas Commission on Environmental Quality. The
5 commission by order may correct a mistake in the description of the
6 district's boundaries.

7 Sec. 3892.006. TORT LIABILITY. The district is a
8 governmental unit under Chapter 101, Civil Practice and Remedies
9 Code, and the operations of the district are essential government
10 functions and are not proprietary functions for any purpose,
11 including the application of that chapter.

12 Sec. 3892.007. LIBERAL CONSTRUCTION OF CHAPTER. This
13 chapter shall be liberally construed in conformity with the
14 findings and purposes stated in this chapter.

15 [Sections 3892.008-3892.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 3892.051. BOARD OF DIRECTORS; TERMS. (a) The
18 district is governed by a board of five voting directors appointed
19 by a majority of the members of the governing body, including the
20 mayor, of the City of Houston. Voting directors serve staggered
21 terms of four years with two or three directors' terms expiring June
22 1 of each odd-numbered year.

23 (b) The board by order or resolution may increase or
24 decrease the number of voting directors on the board, but only if a
25 majority of the voting directors finds that it is in the best
26 interest of the district to do so. The board may not:

27 (1) increase the number of voting directors to more

1 than nine; or

2 (2) decrease the number of voting directors to fewer
3 than five.

4 (c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and
5 49.060, Water Code, apply to the board.

6 (d) Subchapter D, Chapter 375, Local Government Code,
7 applies to the board to the extent that subchapter does not conflict
8 with this chapter.

9 Sec. 3892.052. APPOINTMENT OF DIRECTORS ON INCREASE IN
10 BOARD SIZE. If the board increases the number of directors under
11 Section 3892.051, the board shall appoint eligible persons to fill
12 the new director positions and shall provide for the staggering of
13 terms of the new directors. On expiration of the term of a director
14 appointed under this section, a succeeding director shall be
15 appointed and qualified as provided by Subchapter D, Chapter 375,
16 Local Government Code. The mayor and members of the governing body
17 of the City of Houston shall appoint voting directors from persons
18 recommended by the board. A person is appointed if a majority of
19 the members of the governing body, including the mayor, vote to
20 appoint that person.

21 Sec. 3892.053. NONVOTING DIRECTORS. (a) The following
22 persons shall serve as nonvoting directors:

23 (1) the directors of the following departments of the
24 City of Houston or a person designated by that director:

25 (A) parks and recreation;

26 (B) planning and development; and

27 (C) public works; and

1 (2) the City of Houston's chief of police.

2 (b) If a department described by Subsection (a) is
3 consolidated, renamed, or changed, the board may appoint a director
4 of the consolidated, renamed, or changed department as a nonvoting
5 director. If a department described by Subsection (a) is
6 abolished, the board may appoint a representative of another
7 department that performs duties comparable to the duties performed
8 by the abolished department.

9 Sec. 3892.054. QUORUM. (a) A majority of the voting
10 directors constitutes a quorum of the board.

11 (b) Nonvoting directors and vacant director positions are
12 not counted for the purposes of establishing a quorum of the board.

13 Sec. 3892.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

14 (a) Except as provided by this section:

15 (1) a voting director may participate in all board
16 votes and decisions; and

17 (2) Chapter 171, Local Government Code, governs
18 conflicts of interest for directors.

19 (b) Section 171.004, Local Government Code, does not apply
20 to the district. A director who has a substantial interest in a
21 business or charitable entity that will receive a pecuniary benefit
22 from a board action shall file a one-time affidavit declaring the
23 interest. An additional affidavit is not required if the
24 director's interest changes. After the affidavit is filed with the
25 board secretary, the director may participate in a discussion or
26 vote on that action if:

27 (1) a majority of the directors have a similar

1 interest in the same entity; or

2 (2) all other similar business or charitable entities
3 in the district will receive a similar pecuniary benefit.

4 (c) A director who is also an officer or employee of a public
5 entity may not participate in the discussion of or vote on a matter
6 regarding a contract with that public entity.

7 (d) For purposes of this section, a director has a
8 substantial interest in a charitable entity in the same manner that
9 a person would have substantial interest in a business entity under
10 Section 171.002, Local Government Code.

11 Sec. 3892.056. COMPENSATION OF VOTING DIRECTORS. Voting
12 directors may receive fees of office and reimbursement of expenses
13 as provided by Section 49.060, Water Code.

14 Sec. 3892.057. INITIAL VOTING DIRECTORS. (a) The initial
15 board consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
16	<u>1</u>	_____
17	<u>2</u>	_____
18	<u>3</u>	_____
19	<u>4</u>	_____
20	<u>5</u>	_____

21
22 (b) Of the initial directors, the terms of directors serving
23 in positions 1, 2, and 3 expire June 1, 2013, and the terms of
24 directors serving in positions 4 and 5 expire June 1, 2011.

25 (c) Sections 3892.051(a) and (b) do not apply to the initial
26 directors.

27 (d) This section expires September 1, 2013.

1 [Sections 3892.058-3892.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3892.101. DISTRICT POWERS. The district may exercise
4 the powers given to:

5 (1) a district created under Chapter 375, Local
6 Government Code;

7 (2) a district by Subchapters H and I, Chapter 49,
8 Water Code;

9 (3) a corporation under Chapter 505, Local Government
10 Code, including the power to own, operate, acquire, construct,
11 lease, improve, and maintain the projects described by that
12 chapter; and

13 (4) a housing finance corporation created under
14 Chapter 394, Local Government Code, to provide housing or
15 residential development projects in the district.

16 Sec. 3892.102. NONPROFIT CORPORATION. (a) The board by
17 resolution may authorize the creation of a nonprofit corporation to
18 assist and act for the district in implementing a project or
19 providing a service authorized by this chapter.

20 (b) The nonprofit corporation:

21 (1) has each power of and is considered for purposes of
22 this chapter to be a local government corporation created under
23 Chapter 431, Transportation Code; and

24 (2) may implement any project and provide any service
25 authorized by this chapter.

26 (c) The board shall appoint the board of directors of the
27 nonprofit corporation. The board of directors of the nonprofit

1 corporation shall serve in the same manner as, for the same term as,
2 and on the same conditions as the board of directors of a local
3 government corporation created under Chapter 431, Transportation
4 Code.

5 Sec. 3892.103. AGREEMENTS; GRANTS. (a) The district may
6 make an agreement with or accept a gift, grant, or loan from any
7 person.

8 (b) The implementation of a project is a governmental
9 function or service for the purposes of Chapter 791, Government
10 Code.

11 Sec. 3892.104. ELECTIONS. (a) District elections must be
12 held in the manner provided by Subchapter L, Chapter 375, Local
13 Government Code.

14 (b) The board may submit multiple purposes in a single
15 proposition at an election.

16 Sec. 3892.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY
17 SERVICES. The district may contract with:

18 (1) Harris County or the City of Houston for the county
19 or city to provide law enforcement and security services in the
20 district for a fee; or

21 (2) a private entity for the private entity to provide
22 supplemental security services.

23 Sec. 3892.106. ANNEXATION OR EXCLUSION OF TERRITORY. The
24 district may annex or exclude land from the district in the manner
25 provided by Subchapter C, Chapter 375, Local Government Code.

26 Sec. 3892.107. APPROVAL BY CITY OF HOUSTON. (a) Except as
27 provided by Subsection (b), the district must obtain the approval

1 of the City of Houston's governing body for:

2 (1) the issuance of a bond for each improvement
3 project;

4 (2) the plans and specifications of the improvement
5 project financed by the bond; and

6 (3) the plans and specifications of any district
7 improvement project related to the use of land owned by the City of
8 Houston, an easement granted by the City of Houston, or a
9 right-of-way of a street, road, or highway.

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

15 Sec. 3892.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
16 district may join and pay dues to an organization that:

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

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

21 Sec. 3892.109. ROAD POWERS. The district may exercise
22 powers given to:

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

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

27 Sec. 3892.110. AIR RIGHTS; CONSTRUCTION. The district may

1 acquire air rights and may construct improvements on property on
2 which it owns only air rights.

3 Sec. 3892.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The
4 district may construct improvements on property on which it only
5 has a leasehold interest and may own undivided interests in
6 buildings and other improvements.

7 Sec. 3892.112. NO EMINENT DOMAIN POWER. The district may
8 not exercise the power of eminent domain.

9 [Sections 3892.113-3892.150 reserved for expansion]

10 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

11 Sec. 3892.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

12 (a) The district may acquire, lease as lessor or lessee, construct,
13 develop, own, operate, and maintain a public transit system to
14 serve the area within the boundaries of the district.

15 (b) The board may not act under Subsection (a) unless a
16 written petition requesting the action has been filed with the
17 board.

18 (c) The petition must be signed by:

19 (1) the owners of property representing a majority of
20 the total assessed value of the real property in the district that
21 abuts the right-of-way in which the public transit system is
22 proposed to be located; or

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

26 (d) For purposes of Subsection (c), the determination of a
27 majority is based on the property owners along the entire

1 right-of-way of the proposed transit project and may not be
2 calculated on a block-by-block basis.

3 Sec. 3892.152. PARKING FACILITIES AUTHORIZED; OPERATION BY
4 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease
5 as lessor or lessee, construct, develop, own, operate, and maintain
6 parking facilities, including:

7 (1) lots, garages, parking terminals, or other
8 structures or accommodations for the parking of motor vehicles; and

9 (2) equipment, entrances, exits, fencing, and other
10 accessories necessary for safety and convenience in the parking of
11 vehicles.

12 (b) A parking facility of the district must be either leased
13 to or operated on behalf of the district by a private entity or an
14 entity other than the district. The district's parking facilities
15 are a program authorized by the legislature under Section 52-a,
16 Article III, Texas Constitution, and accomplish a public purpose
17 under that section even if leased or operated by a private entity
18 for a term of years.

19 (c) The district's public parking facilities and any lease
20 to a private entity are exempt from the payment of ad valorem taxes
21 and state and local sales and use taxes.

22 Sec. 3892.153. RULES. The district may adopt rules
23 covering its public transit system or its public parking
24 facilities, except that a rule relating to or affecting the use of
25 the public right-of-way or a requirement for off-street parking is
26 subject to all applicable municipal charter, code, or ordinance
27 requirements.

1 Sec. 3892.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
2 PARKING FACILITIES. (a) The district may use any of its resources,
3 including revenue, assessments, taxes, and grant or contract
4 proceeds, to pay the cost of acquiring and operating a public
5 transit system or public parking facilities.

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

10 (c) Except as provided by Section 3892.151, if the district
11 pays for or finances the cost of acquiring or operating a public
12 transit system or public parking facilities with resources other
13 than assessments, a petition of property owners or a public hearing
14 is not required.

15 Sec. 3892.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING
16 UNIT. If the district's acquisition of property for a parking
17 facility that is leased to or operated by a private entity results
18 in the removal from a taxing unit's tax rolls of real property
19 otherwise subject to ad valorem taxation, the district shall pay to
20 the taxing unit in which the property is located, on or before
21 January 1 of each year, as a payment in lieu of taxes, an amount
22 equal to the ad valorem taxes that otherwise would have been imposed
23 for the preceding tax year on that real property by the taxing unit,
24 without including the value of any improvements constructed on the
25 property.

26 Sec. 3892.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a)
27 In this section, "authority" means a rapid transit authority

1 created under Chapter 451, Transportation Code.

2 (b) The district and an authority may agree to jointly
3 construct, own, operate, and maintain a transit facility or a
4 parking facility under the terms the authority and district desire.

5 (c) The agreement may provide that the district and the
6 authority exchange or trade land provided that each party to the
7 agreement receives fair market value. The authority is not
8 required to offer any property that it proposes to trade to the
9 district for sale to the public or for sale to any abutting property
10 owner.

11 [Sections 3892.157-3892.200 reserved for expansion]

12 SUBCHAPTER E. FINANCIAL PROVISIONS

13 Sec. 3892.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM
14 TAXES, AND IMPACT FEES. The district may impose, assess, charge, or
15 collect an assessment, an ad valorem tax, an impact fee, or another
16 fee in accordance with Chapter 49, Water Code, for a purpose
17 specified by Chapter 375, Local Government Code, or as needed to
18 exercise a power or function of the district or to accomplish a
19 purpose or duty for which the district was created.

20 Sec. 3892.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The
21 board by resolution shall establish the number of directors'
22 signatures and the procedure required for a disbursement or
23 transfer of the district's money.

24 Sec. 3892.203. ASSESSMENT IN PART OF DISTRICT. An
25 assessment may be imposed on only a part of the district if only
26 that part will benefit from the service or improvement.

27 Sec. 3892.204. PETITION REQUIRED FOR ASSESSMENT AND FOR

1 FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose
2 an assessment or finance a service or improvement project under
3 this chapter unless a written petition requesting the improvement
4 or service has been filed with the board.

5 (b) The petition must be signed by:

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

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

13 (c) The board may act upon a petition, required under this
14 section, signed by qualified petitioners prior to or subsequent to
15 the enactment of this chapter.

16 Sec. 3892.205. ASSESSMENTS CONSIDERED TAXES. For purposes
17 of a title insurance policy issued under Title 11, Insurance Code,
18 an assessment is a tax.

19 Sec. 3892.206. MAINTENANCE TAX. (a) If authorized at an
20 election held in accordance with Section 3892.104, the district may
21 impose an annual ad valorem tax on taxable property in the district
22 to:

23 (1) administer the district;

24 (2) maintain and operate the district;

25 (3) construct or acquire improvements; or

26 (4) provide a service.

27 (b) The board shall determine the tax rate.

1 (c) An owner of real property in the district, except
2 property exempt under the Texas or United States Constitution or
3 under the Tax Code, is liable for the payment of ad valorem taxes
4 imposed by the district on the property.

5 Sec. 3892.207. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
6 The board by resolution may impose and collect an assessment for any
7 purpose authorized by this chapter.

8 (b) An assessment, a reassessment, or an assessment
9 resulting from an addition to or correction of the assessment roll
10 by the district, penalties and interest on an assessment or
11 reassessment, an expense of collection, and reasonable attorney's
12 fees incurred by the district:

13 (1) are a first and prior lien against the property
14 assessed;

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

18 (3) are the personal liability of and a charge against
19 the owners of the property even if the owners are not named in the
20 assessment proceedings.

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

25 (d) The board may make a correction to or deletion from the
26 assessment roll that does not increase the amount of assessment of
27 any parcel of land without providing notice and holding a hearing in

1 the manner required for additional assessments.

2 Sec. 3892.208. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM
3 ASSESSMENT AND IMPACT FEES. The district may not impose an impact
4 fee or assessment on the property, including the equipment,
5 rights-of-way, facilities, or improvements, of:

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

8 (2) a gas utility as defined by Section 101.003 or
9 121.001, Utilities Code;

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

12 (4) a person who provides the public cable television
13 or advanced telecommunications services.

14 Sec. 3892.209. USE OF ELECTRICAL OR OPTICAL LINES. (a) The
15 district may impose an assessment to pay the cost of:

16 (1) burying or removing electrical power lines,
17 telephone lines, cable or fiber-optic lines, or any other type of
18 electrical or optical line;

19 (2) removing poles and any elevated lines using the
20 poles; and

21 (3) reconnecting the lines described by Subdivision
22 (2) to the buildings or other improvements to which the lines were
23 connected.

24 (b) The district may acquire, operate, or charge fees for
25 the use of the district conduits for:

26 (1) another person's:

27 (A) telecommunications network;

1 (B) fiber-optic cable; or

2 (C) electronic transmission line; or

3 (2) any other type of transmission line or supporting
4 facility.

5 (c) The district may not require a person to use a district
6 conduit.

7 Sec. 3892.210. BONDS AND OTHER OBLIGATIONS. (a) The
8 district may issue bonds, notes, or other obligations in accordance
9 with Subchapter J, Chapter 375, Local Government Code, payable
10 wholly or partly from assessments, impact fees, revenue, grants, or
11 other money of the district, or any combination of these sources of
12 money, to pay for any authorized district purpose.

13 (b) In exercising the district's power to borrow, the
14 district may issue a bond or other obligation in the form of a bond,
15 note, certificate of participation or other instrument evidencing a
16 proportionate interest in payments to be made by the district, or
17 other type of obligation.

18 Sec. 3892.211. LIMITS ON PARKS AND RECREATION BONDS. Bonds
19 issued to finance parks and recreational facilities may not exceed
20 one percent of the assessed value of the real property in the
21 district according to the most recent certified tax appraisal roll
22 for Harris County.

23 Sec. 3892.212. TAX AND BOND ELECTIONS. (a) The district
24 shall hold an election in the manner provided by Subchapter L,
25 Chapter 375, Local Government Code, to obtain voter approval before
26 the district imposes a maintenance tax or issues bonds payable from
27 ad valorem taxes.

1 (b) The board may not include more than one purpose in a
2 single proposition at an election.

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

5 Sec. 3892.213. POWERS OF MUNICIPAL UTILITY DISTRICT TO
6 ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a)
7 The district has the powers of a municipal utility district under
8 Subchapter J, Chapter 54, Water Code, including the power to:

9 (1) implement a plan;

10 (2) issue bonds; and

11 (3) impose a tax in a defined area established under
12 that subchapter.

13 (b) The district may exercise the powers described by
14 Subsection (a) regardless of whether the district is composed of
15 the minimum number of acres provided by Section 54.801, Water Code.

16 Sec. 3892.214. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
17 OBLIGATIONS. Except as provided by Section 375.263, Local
18 Government Code, a municipality is not required to pay a bond, note,
19 or other obligation of the district.

20 Sec. 3892.215. COMPETITIVE BIDDING. Section 375.221, Local
21 Government Code, applies to the district only for a contract that
22 has a value greater than \$50,000.

23 [Sections 3892.216-3892.250 reserved for expansion]

24 SUBCHAPTER F. CONSOLIDATION

25 Sec. 3892.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT
26 DISTRICT. (a) The district may consolidate with one or more other
27 municipal management districts that are adjoining or have a

1 boundary that is within a two-mile radius of any boundary of the
2 district. The board may consolidate with one or more other
3 districts only if none of the districts to be consolidated has
4 issued bonds or notes secured by assessments or ad valorem taxes or
5 has imposed taxes.

6 (b) To initiate consolidation, the board of a district shall
7 adopt a resolution proposing a consolidation and deliver a copy of
8 the resolution to the board of each district with which
9 consolidation is proposed.

10 Sec. 3892.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not
11 later than the 30th day after districts are consolidated under
12 Section 3892.251, the districts shall enter into an agreement
13 specifying the terms and conditions for consolidation. The terms
14 and conditions for consolidation must include:

15 (1) adoption of a name for the consolidated district;
16 (2) the number and apportionment of directors to serve
17 on the board of the consolidated district;

18 (3) the effective date of the consolidation;

19 (4) an agreement on finances for the consolidated
20 district, including disposition of funds, property, and other
21 assets of each district; and

22 (5) an agreement on governing the districts during the
23 transition period, including selection of officers.

24 Sec. 3892.253. NOTICE AND HEARING ON CONSOLIDATION. (a)
25 Each district's board shall publish notice and hold a public
26 hearing in its district regarding the terms and conditions for
27 consolidation of the districts. The board shall publish notice at

1 least once in a newspaper with general circulation in the affected
2 districts at least seven days before the hearing.

3 (b) After the hearing, each board by resolution must approve
4 the terms and conditions for consolidation by majority vote and
5 enter an order consolidating the districts.

6 (c) If the board of each involved district adopts a
7 resolution containing the terms and conditions for the
8 consolidation, the involved districts become consolidated.

9 Sec. 3892.254. GOVERNING CONSOLIDATED DISTRICTS. (a)
10 After two or more districts are consolidated, they become one
11 district and are governed as one district.

12 (b) During the period before the terms and conditions of the
13 agreement under Section 3892.252 take effect, the officers of each
14 district shall continue to act jointly as officers of the original
15 districts to settle the affairs of their respective districts.

16 Sec. 3892.255. DEBTS OF ORIGINAL DISTRICTS. After two or
17 more districts are consolidated, the consolidated district shall
18 protect the debts and obligations of the original districts and
19 shall ensure that the debts and obligations are not impaired. If
20 the consolidated district has taxing authority, the debts may be
21 paid by taxes imposed on the land in the original districts as if
22 they had not consolidated or from contributions from the
23 consolidated district on terms stated in the consolidation
24 agreement.

25 Sec. 3892.256. ASSESSMENT AND COLLECTION OF TAXES. If the
26 consolidated district has taxing authority, the district shall
27 impose and collect taxes on all property in the district uniformly,

1 for maintenance and operation of the district.

2 Sec. 3892.257. FILING OF ORDER WITH COUNTY CLERK AND
3 EXECUTIVE DIRECTOR. The board shall keep in the records of the
4 consolidated district, recorded in the office of the county clerk
5 in each of the counties in the consolidated district, a
6 consolidation order issued by the board. The board shall file the
7 consolidation order with the executive director of the Texas
8 Commission on Environmental Quality.

9 [Sections 3892.258-3892.300 reserved for expansion]

10 SUBCHAPTER G. DISSOLUTION

11 Sec. 3892.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
12 DEBT. (a) The district may be dissolved as provided by Subchapter
13 M, Chapter 375, Local Government Code, except that Section 375.264,
14 Local Government Code, does not apply to the district. The board
15 may dissolve the district regardless of whether the district has
16 debt.

17 (b) If the district has debt when it is dissolved, the
18 district shall remain in existence solely for the purpose of
19 discharging its bonds or other obligations according to their
20 terms. The dissolution is effective when all debts have been
21 discharged.

22 SECTION 2. BOUNDARIES. On the effective date of this Act,
23 the Harris County Improvement District No. 12 includes all
24 territory generally bounded by the following described area:

25 UNLESS otherwise specified, the boundaries of this district will
26 travel along the centerline of each street included, and each
27 intersection will be the intersection of the centerlines of the

1 streets mentioned.

2 Beginning at the intersection of Interstate 610 and Cullen
3 Boulevard; thence in a northeasterly direction along Cullen
4 Boulevard to Griggs Road. Thence in a southeasterly direction
5 along Griggs Road until it becomes Long Drive. Thence in a
6 southeasterly direction along Long Drive to Mykawa Road. Thence in
7 a southeasterly direction along Mykawa Road to Interstate 610.
8 Thence in a southwesterly direction on Interstate 610 to Cullen
9 Boulevard to the point of BEGINNING.

10 SECTION 3. REIMBURSEMENT FOR COST OF CREATION. The Harris
11 County Improvement District No. 12 may reimburse the cost of
12 creating the district from assessments or other revenue created by
13 the district or consolidated district under Section 3892.251,
14 Special District Local Laws Code, as added by this Act.

15 SECTION 4. LEGISLATIVE FINDINGS. The legislature finds
16 that:

17 (1) proper and 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 by
22 the constitution and laws of this state, including the governor,
23 who has submitted the notice and Act to the Texas Commission on
24 Environmental Quality;

25 (2) the Texas Commission on Environmental Quality has
26 filed its recommendations relating to this Act with the governor,
27 lieutenant governor, and speaker of the house of representatives

1 within the required time;

2 (3) the general law relating to consent by political
3 subdivisions to the creation of districts with conservation,
4 reclamation, and road powers and the inclusion of land in those
5 districts has been complied with; and

6 (4) all requirements of the constitution and laws of
7 this state and the rules and procedures of the legislature with
8 respect to the notice, introduction, and passage of this Act have
9 been fulfilled and accomplished.

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