

1-1 By: Coleman (Senate Sponsor - Ellis) H.B. No. 4828
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 22, 2009, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; May 22, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 4828 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 21; 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. 21.
1-14 Subtitle C, Title 4, Special District Local Laws Code, is amended by
1-15 adding Chapter 3892 to read as follows:

1-16 CHAPTER 3892. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 21

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3892.001. 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. 21.

1-24 Sec. 3892.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 21.

1-25 The Harris County Improvement District No. 21 is a special district
1-26 created under Section 59, Article XVI, Texas Constitution.

1-27 Sec. 3892.003. 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. 3892.004. 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. 3892.005. 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 3892.251;
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. 3892.006. 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 3892.007-3892.050 reserved for expansion]
2-62 SUBCHAPTER B. BOARD OF DIRECTORS
2-63 Sec. 3892.051. BOARD OF DIRECTORS; TERMS. (a) The district
2-64 is governed by a board of 10 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 five directors' terms expiring June 1 of each
2-68 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 15; 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. 3892.052. APPOINTMENT OF DIRECTORS ON INCREASE IN
3-14 BOARD SIZE. If the board increases the number of directors under
3-15 Section 3892.051, 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. 3892.053. 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. 3892.054. QUORUM. (a) Except as provided by
3-41 Subsection (b), six voting directors constitute a quorum of the
3-42 board.
3-43 (b) If the board is composed of an odd number of directors, a
3-44 majority of the voting directors constitutes a quorum.
3-45 (c) Nonvoting directors and vacant director positions are
3-46 not counted for the purposes of establishing a quorum of the board.
3-47 Sec. 3892.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.
3-48 (a) Except as provided by this section:
3-49 (1) a voting director may participate in all board
3-50 votes and decisions; and
3-51 (2) Chapter 171, Local Government Code, governs
3-52 conflicts of interest for directors.
3-53 (b) Section 171.004, Local Government Code, does not apply
3-54 to the district. A director who has a substantial interest in a
3-55 business or charitable entity that will receive a pecuniary benefit
3-56 from a board action shall file a one-time affidavit declaring the
3-57 interest. An additional affidavit is not required if the
3-58 director's interest changes. After the affidavit is filed with the
3-59 board secretary, the director may participate in a discussion or
3-60 vote on that action if:
3-61 (1) a majority of the directors have a similar
3-62 interest in the same entity; or
3-63 (2) all other similar business or charitable entities
3-64 in the district will receive a similar pecuniary benefit.
3-65 (c) A director who is also an officer or employee of a public
3-66 entity may not participate in the discussion of or vote on a matter
3-67 regarding a contract with that public entity.
3-68 (d) For purposes of this section, a director has a
3-69 substantial interest in a charitable entity in the same manner that

4-1 a person would have substantial interest in a business entity under
 4-2 Section 171.002, Local Government Code.

4-3 Sec. 3892.056. COMPENSATION OF VOTING DIRECTORS. Voting
 4-4 directors may receive fees of office and reimbursement of expenses
 4-5 as provided by Section 49.060, Water Code.

4-6 Sec. 3892.057. INITIAL VOTING DIRECTORS. (a) The initial
 4-7 board consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
4-8	<u>1</u>	<u>Brian Smith</u>
4-9	<u>2</u>	<u>Janice Sibley-Reid</u>
4-10	<u>3</u>	<u>Zinetta Burney</u>
4-11	<u>4</u>	<u>R. Quinn Meads</u>
4-12	<u>5</u>	<u>Walter Johnson</u>
4-13	<u>6</u>	<u>Anthony Robinson</u>
4-14	<u>7</u>	<u>Tariq Gladney</u>
4-15	<u>8</u>	<u>Hamilton Rucker</u>
4-16	<u>9</u>	<u>Michael Lacston</u>
4-17	<u>10</u>	<u>Courtney White</u>

4-18
 4-19 (b) Of the initial directors, the terms of directors serving
 4-20 in positions 1 through 5 expire June 1, 2013, and the terms of
 4-21 directors serving in positions 6 through 10 expire June 1, 2011.

4-22 (c) Sections 3892.051(a) and (b) do not apply to the initial
 4-23 directors.

4-24 (d) This section expires September 1, 2013.

4-25 [Sections 3892.058-3892.100 reserved for expansion]

4-26 SUBCHAPTER C. POWERS AND DUTIES

4-27 Sec. 3892.101. DISTRICT POWERS. The district may exercise
 4-28 the powers given to:

4-29 (1) a district created under Chapter 375, Local
 4-30 Government Code;

4-31 (2) a district by Subchapters H and I, Chapter 49,
 4-32 Water Code;

4-33 (3) a corporation under Chapter 505, Local Government
 4-34 Code, including the power to own, operate, acquire, construct,
 4-35 lease, improve, and maintain the projects described by that
 4-36 chapter; and

4-37 (4) a housing finance corporation created under
 4-38 Chapter 394, Local Government Code, to provide housing or
 4-39 residential development projects in the district.

4-40 Sec. 3892.102. NONPROFIT CORPORATION. (a) The board by
 4-41 resolution may authorize the creation of a nonprofit corporation to
 4-42 assist and act for the district in implementing a project or
 4-43 providing a service authorized by this chapter.

4-44 (b) The nonprofit corporation:

4-45 (1) has each power of and is considered for purposes of
 4-46 this chapter to be a local government corporation created under
 4-47 Chapter 431, Transportation Code; and

4-48 (2) may implement any project and provide any service
 4-49 authorized by this chapter.

4-50 (c) The board shall appoint the board of directors of the
 4-51 nonprofit corporation. The board of directors of the nonprofit
 4-52 corporation shall serve in the same manner as, for the same term as,
 4-53 and on the same conditions as the board of directors of a local
 4-54 government corporation created under Chapter 431, Transportation
 4-55 Code.

4-56 Sec. 3892.103. AGREEMENTS; GRANTS. (a) The district may
 4-57 make an agreement with or accept a gift, grant, or loan from any
 4-58 person.

4-59 (b) The implementation of a project is a governmental
 4-60 function or service for the purposes of Chapter 791, Government
 4-61 Code.

4-62 Sec. 3892.104. ELECTIONS. (a) District elections must be
 4-63 held in the manner provided by Subchapter L, Chapter 375, Local
 4-64 Government Code.

4-65 (b) The board may submit multiple purposes in a single
 4-66 proposition at an election.

4-67 Sec. 3892.105. CONTRACT FOR LAW ENFORCEMENT AND SECURITY
 4-68 SERVICES. The district may contract with:

4-69 (1) Harris County or the City of Houston for the county

5-1 or city to provide law enforcement and security services in the
5-2 district for a fee; or

5-3 (2) a private entity for the private entity to provide
5-4 supplemental security services.

5-5 Sec. 3892.106. ANNEXATION OR EXCLUSION OF TERRITORY. The
5-6 district may annex or exclude land from the district in the manner
5-7 provided by Subchapter C, Chapter 375, Local Government Code.

5-8 Sec. 3892.107. APPROVAL BY CITY OF HOUSTON. (a) Except as
5-9 provided by Subsection (b), the district must obtain the approval
5-10 of the City of Houston's governing body for:

5-11 (1) the issuance of a bond for each improvement
5-12 project;

5-13 (2) the plans and specifications of the improvement
5-14 project financed by the bond; and

5-15 (3) the plans and specifications of any district
5-16 improvement project related to the use of land owned by the City of
5-17 Houston, an easement granted by the City of Houston, or a
5-18 right-of-way of a street, road, or highway.

5-19 (b) If the district obtains the approval of the City of
5-20 Houston's governing body of a capital improvements budget for a
5-21 period not to exceed five years, the district may finance the
5-22 capital improvements and issue bonds specified in the budget
5-23 without further approval from the City of Houston.

5-24 Sec. 3892.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
5-25 district may join and pay dues to an organization that:

5-26 (1) enjoys tax-exempt status under Section 501(c)(3),
5-27 (4), or (6), Internal Revenue Code of 1986; and

5-28 (2) performs a service or provides an activity
5-29 consistent with promoting a district purpose.

5-30 Sec. 3892.109. ROAD POWERS. The district may exercise
5-31 powers given to:

5-32 (1) a road district created under Chapter 257,
5-33 Transportation Code; and

5-34 (2) a road utility district created under Chapter 441,
5-35 Transportation Code.

5-36 Sec. 3892.110. AIR RIGHTS; CONSTRUCTION. The district may
5-37 acquire air rights and may construct improvements on property on
5-38 which it owns only air rights.

5-39 Sec. 3892.111. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The
5-40 district may construct improvements on property on which it only
5-41 has a leasehold interest and may own undivided interests in
5-42 buildings and other improvements.

5-43 Sec. 3892.112. NO EMINENT DOMAIN POWER. The district may
5-44 not exercise the power of eminent domain.

5-45 [Sections 3892.113-3892.150 reserved for expansion]

5-46 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

5-47 Sec. 3892.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

5-48 (a) The district may acquire, lease as lessor or lessee, construct,
5-49 develop, own, operate, and maintain a public transit system to
5-50 serve the area within the boundaries of the district.

5-51 (b) The board may not act under Subsection (a) unless a
5-52 written petition requesting the action has been filed with the
5-53 board.

5-54 (c) The petition must be signed by:

5-55 (1) the owners of property representing a majority of
5-56 the total assessed value of the real property in the district that
5-57 abuts the right-of-way in which the public transit system is
5-58 proposed to be located; or

5-59 (2) the owners of a majority of the area of the real
5-60 property in the district that abuts the right-of-way in which the
5-61 public transit system is proposed to be located.

5-62 (d) For purposes of Subsection (c), the determination of a
5-63 majority is based on the property owners along the entire
5-64 right-of-way of the proposed transit project and may not be
5-65 calculated on a block-by-block basis.

5-66 Sec. 3892.152. PARKING FACILITIES AUTHORIZED; OPERATION BY
5-67 PRIVATE ENTITY. (a) The district may acquire, lease as lessor or
5-68 lessee, construct, develop, own, operate, and maintain parking
5-69 facilities, including:

6-1 (1) lots, garages, parking terminals, or other
 6-2 structures or accommodations for the parking of motor vehicles; and

6-3 (2) equipment, entrances, exits, fencing, and other
 6-4 accessories necessary for safety and convenience in the parking of
 6-5 vehicles.

6-6 (b) A parking facility of the district must be either leased
 6-7 to or operated on behalf of the district by a private entity or an
 6-8 entity other than the district. The district's parking facilities
 6-9 are a program authorized by the legislature under Section 52-a,
 6-10 Article III, Texas Constitution, and accomplish a public purpose
 6-11 under that section even if leased or operated by a private entity
 6-12 for a term of years.

6-13 Sec. 3892.153. RULES. The district may adopt rules
 6-14 covering its public transit system or its public parking
 6-15 facilities, except that a rule relating to or affecting the use of
 6-16 the public right-of-way or a requirement for off-street parking is
 6-17 subject to all applicable municipal charter, code, or ordinance
 6-18 requirements.

6-19 Sec. 3892.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
 6-20 PARKING FACILITIES. (a) The district may use any of its resources,
 6-21 including revenue, assessments, taxes, and grant or contract
 6-22 proceeds, to pay the cost of acquiring and operating a public
 6-23 transit system or public parking facilities.

6-24 (b) The district may set and impose fees, charges, or tolls
 6-25 for the use of the public transit system or the public parking
 6-26 facilities and may issue bonds or notes to finance the cost of these
 6-27 facilities.

6-28 (c) Except as provided by Section 3892.151, if the district
 6-29 pays for or finances the cost of acquiring or operating a public
 6-30 transit system or public parking facilities with resources other
 6-31 than assessments, a petition of property owners or a public hearing
 6-32 is not required.

6-33 Sec. 3892.155. PAYMENT IN LIEU OF TAXES TO OTHER TAXING
 6-34 UNIT. If the district's acquisition of property for a parking
 6-35 facility that is leased to or operated by a private entity results
 6-36 in the removal from a taxing unit's tax rolls of real property
 6-37 otherwise subject to ad valorem taxation, the district shall pay to
 6-38 the taxing unit in which the property is located, on or before
 6-39 January 1 of each year, as a payment in lieu of taxes, an amount
 6-40 equal to the ad valorem taxes that otherwise would have been imposed
 6-41 for the preceding tax year on that real property by the taxing unit,
 6-42 without including the value of any improvements constructed on the
 6-43 property.

6-44 Sec. 3892.156. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a)
 6-45 In this section, "authority" means a rapid transit authority
 6-46 created under Chapter 451, Transportation Code.

6-47 (b) The district and an authority may agree to jointly
 6-48 construct, own, operate, and maintain a transit facility or a
 6-49 parking facility under the terms the authority and district desire.

6-50 (c) The agreement may provide that the district and the
 6-51 authority exchange or trade land provided that each party to the
 6-52 agreement receives fair market value. The authority is not
 6-53 required to offer any property that it proposes to trade to the
 6-54 district for sale to the public or for sale to any abutting property
 6-55 owner.

6-56 [Sections 3892.157-3892.200 reserved for expansion]

6-57 SUBCHAPTER E. FINANCIAL PROVISIONS

6-58 Sec. 3892.201. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM
 6-59 TAXES, AND IMPACT FEES. The district may impose, assess, charge, or
 6-60 collect an assessment, an ad valorem tax, an impact fee, or another
 6-61 fee in accordance with Chapter 49, Water Code, for a purpose
 6-62 specified by Chapter 375, Local Government Code, or as needed to
 6-63 exercise a power or function of the district or to accomplish a
 6-64 purpose or duty for which the district was created.

6-65 Sec. 3892.202. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 6-66 board by resolution shall establish the number of directors'
 6-67 signatures and the procedure required for a disbursement or
 6-68 transfer of the district's money.

6-69 Sec. 3892.203. ASSESSMENT IN PART OF DISTRICT. An

7-1 assessment may be imposed on only a part of the district if only
7-2 that part will benefit from the service or improvement.

7-3 Sec. 3892.204. PETITION REQUIRED FOR ASSESSMENT AND FOR
7-4 FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not impose
7-5 an assessment or finance a service or improvement project under
7-6 this chapter unless a written petition requesting the improvement
7-7 or service has been filed with the board.

7-8 (b) The petition must be signed by:
7-9 (1) the owners of a majority of the assessed value of
7-10 real property in the district subject to assessment according to
7-11 the most recent certified tax appraisal roll for Harris County; or
7-12 (2) at least 25 owners of real property in the district
7-13 that will be subject to the assessment, if more than 25 persons own
7-14 real property subject to the assessment in the district according
7-15 to the most recent certified tax appraisal roll for Harris County.

7-16 (c) The board may act upon a petition, required under this
7-17 section, signed by qualified petitioners prior to or subsequent to
7-18 the enactment of this chapter.

7-19 Sec. 3892.205. MAINTENANCE TAX. (a) If authorized at an
7-20 election held in accordance with Section 3892.104, the district may
7-21 impose an annual ad valorem tax on taxable property in the district
7-22 to:

- 7-23 (1) administer the district;
- 7-24 (2) maintain and operate the district;
- 7-25 (3) construct or acquire improvements; or
- 7-26 (4) provide a service.

7-27 (b) The board shall determine the tax rate.
7-28 (c) An owner of real property in the district, except
7-29 property exempt under the Texas or United States Constitution or
7-30 under the Tax Code, is liable for the payment of ad valorem taxes
7-31 imposed by the district on the property.

7-32 Sec. 3892.206. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
7-33 The board by resolution may impose and collect an assessment for any
7-34 purpose authorized by this chapter.

7-35 (b) An assessment, a reassessment, or an assessment
7-36 resulting from an addition to or correction of the assessment roll
7-37 by the district, penalties and interest on an assessment or
7-38 reassessment, an expense of collection, and reasonable attorney's
7-39 fees incurred by the district:

- 7-40 (1) are a first and prior lien against the property
7-41 assessed;
- 7-42 (2) are superior to any other lien or claim other than
7-43 a lien or claim for county, school district, or municipal ad valorem
7-44 taxes; and
- 7-45 (3) are the personal liability of and a charge against
7-46 the owners of the property even if the owners are not named in the
7-47 assessment proceedings.

7-48 (c) The lien is effective from the date of the board's
7-49 resolution imposing the assessment until the date the assessment is
7-50 paid. The board may enforce the lien in the same manner that the
7-51 board may enforce an ad valorem tax lien against real property.

7-52 (d) The board may make a correction to or deletion from the
7-53 assessment roll that does not increase the amount of assessment of
7-54 any parcel of land without providing notice and holding a hearing in
7-55 the manner required for additional assessments.

7-56 Sec. 3892.207. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM
7-57 ASSESSMENT AND IMPACT FEES. The district may not impose an impact
7-58 fee or assessment on the property, including the equipment,
7-59 rights-of-way, facilities, or improvements, of:

- 7-60 (1) an electric utility or a power generation company
7-61 as defined by Section 31.002, Utilities Code;
- 7-62 (2) a gas utility as defined by Section 101.003 or
7-63 121.001, Utilities Code;
- 7-64 (3) a telecommunications provider as defined by
7-65 Section 51.002, Utilities Code; or
- 7-66 (4) a person who provides the public cable television
7-67 or advanced telecommunications services.

7-68 Sec. 3892.208. USE OF ELECTRICAL OR OPTICAL LINES. (a) The
7-69 district may impose an assessment to pay the cost of:

8-1 (1) burying or removing electrical power lines,
8-2 telephone lines, cable or fiber-optic lines, or any other type of
8-3 electrical or optical line;

8-4 (2) removing poles and any elevated lines using the
8-5 poles; and

8-6 (3) reconnecting the lines described by Subdivision
8-7 (2) to the buildings or other improvements to which the lines were
8-8 connected.

8-9 (b) The district may acquire, operate, or charge fees for
8-10 the use of the district conduits for:

8-11 (1) another person's:

8-12 (A) telecommunications network;

8-13 (B) fiber-optic cable; or

8-14 (C) electronic transmission line; or

8-15 (2) any other type of transmission line or supporting
8-16 facility.

8-17 (c) The district may not require a person to use a district
8-18 conduit.

8-19 Sec. 3892.209. BONDS AND OTHER OBLIGATIONS. (a) The
8-20 district may issue bonds, notes, or other obligations in accordance
8-21 with Subchapter J, Chapter 375, Local Government Code, payable
8-22 wholly or partly from assessments, impact fees, revenue, grants, or
8-23 other money of the district, or any combination of these sources of
8-24 money, to pay for any authorized district purpose.

8-25 (b) In exercising the district's power to borrow, the
8-26 district may issue a bond or other obligation in the form of a bond,
8-27 note, certificate of participation or other instrument evidencing a
8-28 proportionate interest in payments to be made by the district, or
8-29 other type of obligation.

8-30 Sec. 3892.210. LIMITS ON PARKS AND RECREATION BONDS. Bonds
8-31 issued to finance parks and recreational facilities may not exceed
8-32 one percent of the assessed value of the real property in the
8-33 district according to the most recent certified tax appraisal roll
8-34 for Harris County.

8-35 Sec. 3892.211. TAX AND BOND ELECTIONS. (a) The district
8-36 shall hold an election in the manner provided by Subchapter L,
8-37 Chapter 375, Local Government Code, to obtain voter approval before
8-38 the district imposes a maintenance tax or issues bonds payable from
8-39 ad valorem taxes.

8-40 (b) The board may not include more than one purpose in a
8-41 single proposition at an election to impose a maintenance tax or
8-42 issue bonds payable from ad valorem taxes.

8-43 (c) Section 375.243, Local Government Code, does not apply
8-44 to the district.

8-45 Sec. 3892.212. POWERS OF MUNICIPAL UTILITY DISTRICT TO
8-46 ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a)
8-47 The district has the powers of a municipal utility district under
8-48 Subchapter J, Chapter 54, Water Code, including the power to:

8-49 (1) implement a plan;

8-50 (2) issue bonds; and

8-51 (3) impose a tax in a defined area established under
8-52 that subchapter.

8-53 (b) The district may exercise the powers described by
8-54 Subsection (a) regardless of whether the district is composed of
8-55 the minimum number of acres provided by Section 54.801, Water Code.

8-56 Sec. 3892.213. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
8-57 OBLIGATIONS. Except as provided by Section 375.263, Local
8-58 Government Code, a municipality is not required to pay a bond, note,
8-59 or other obligation of the district.

8-60 Sec. 3892.214. COMPETITIVE BIDDING. Section 375.221, Local
8-61 Government Code, applies to the district only for a contract that
8-62 has a value greater than \$50,000.

8-63 [Sections 3892.215-3892.250 reserved for expansion]

8-64 SUBCHAPTER F. CONSOLIDATION

8-65 Sec. 3892.251. CONSOLIDATION WITH MUNICIPAL MANAGEMENT
8-66 DISTRICT. (a) The district may consolidate with one other
8-67 municipal management district that adjoins or has a boundary that
8-68 is within a two-mile radius of any boundary of the district. The
8-69 board may consolidate with one other district only if the district

9-1 to be consolidated has not issued bonds or notes secured by
 9-2 assessments or ad valorem taxes or imposed taxes.

9-3 (b) To initiate consolidation, the board of a district shall
 9-4 adopt a resolution proposing a consolidation and deliver a copy of
 9-5 the resolution to the board of each district with which
 9-6 consolidation is proposed.

9-7 Sec. 3892.252. TERMS AND CONDITIONS FOR CONSOLIDATION. Not
 9-8 later than the 30th day after districts are consolidated under
 9-9 Section 3892.251, the districts shall enter into an agreement
 9-10 specifying the terms and conditions for consolidation. The terms
 9-11 and conditions for consolidation must include:

9-12 (1) adoption of a name for the consolidated district;
 9-13 (2) the number and apportionment of directors to serve
 9-14 on the board of the consolidated district;

9-15 (3) the effective date of the consolidation;

9-16 (4) an agreement on finances for the consolidated
 9-17 district, including disposition of funds, property, and other
 9-18 assets of each district; and

9-19 (5) an agreement on governing the districts during the
 9-20 transition period, including selection of officers.

9-21 Sec. 3892.253. NOTICE AND HEARING ON CONSOLIDATION. (a)
 9-22 Each district's board shall publish notice and hold a public
 9-23 hearing in its district regarding the terms and conditions for
 9-24 consolidation of the districts. The board shall publish notice at
 9-25 least once in a newspaper with general circulation in the affected
 9-26 districts at least seven days before the hearing.

9-27 (b) After the hearing, each board by resolution must approve
 9-28 the terms and conditions for consolidation by majority vote and
 9-29 enter an order consolidating the districts.

9-30 (c) If the board of each involved district adopts a
 9-31 resolution containing the terms and conditions for the
 9-32 consolidation, the involved districts become consolidated.

9-33 Sec. 3892.254. GOVERNING CONSOLIDATED DISTRICTS. (a)
 9-34 After two districts are consolidated, they become one district and
 9-35 are governed as one district.

9-36 (b) During the period before the terms and conditions of the
 9-37 agreement under Section 3892.252 take effect, the officers of each
 9-38 district shall continue to act jointly as officers of the original
 9-39 districts to settle the affairs of their respective districts.

9-40 (c) If one of the districts consolidated into one district
 9-41 under this subchapter had powers at the time the districts were
 9-42 consolidated that the other district being consolidated did not
 9-43 have, the consolidated district may exercise within the original
 9-44 boundaries of each district only the powers that belonged to that
 9-45 original district. In territory annexed into a consolidated
 9-46 district, the district may exercise any of the powers of the
 9-47 original districts.

9-48 Sec. 3892.255. DEBTS OF ORIGINAL DISTRICTS. After two
 9-49 districts are consolidated, the consolidated district shall
 9-50 protect the debts and obligations of the original districts and
 9-51 shall ensure that the debts and obligations are not impaired. If
 9-52 the consolidated district has taxing authority, the debts may be
 9-53 paid by taxes imposed on the land in the original districts as if
 9-54 they had not consolidated or from contributions from the
 9-55 consolidated district on terms stated in the consolidation
 9-56 agreement.

9-57 Sec. 3892.256. ASSESSMENT AND COLLECTION OF TAXES. If the
 9-58 consolidated district has taxing authority, the district shall
 9-59 impose and collect taxes on all property in the district uniformly,
 9-60 for maintenance and operation of the district.

9-61 Sec. 3892.257. FILING OF ORDER WITH COUNTY CLERK AND
 9-62 EXECUTIVE DIRECTOR. The board shall keep in the records of the
 9-63 consolidated district, recorded in the office of the county clerk
 9-64 in each of the counties in the consolidated district, a
 9-65 consolidation order issued by the board. The board shall file the
 9-66 consolidation order with the executive director of the Texas
 9-67 Commission on Environmental Quality.

9-68 [Sections 3892.258-3892.300 reserved for expansion]

SUBCHAPTER G. DISSOLUTION

10-1 Sec. 3892.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
 10-2 DEBT. (a) The district may be dissolved as provided by Subchapter
 10-3 M, Chapter 375, Local Government Code, except that Section 375.264,
 10-4 Local Government Code, does not apply to the district. The board
 10-5 may dissolve the district regardless of whether the district has
 10-6 debt.

10-7 (b) If the district has debt when it is dissolved, the
 10-8 district shall remain in existence solely for the purpose of
 10-9 discharging its bonds or other obligations according to their
 10-10 terms. The dissolution is effective when all debts have been
 10-11 discharged.

10-12 SECTION 2. BOUNDARIES. On the effective date of this Act,
 10-13 the Harris County Improvement District No. 21 includes all
 10-14 territory generally bounded by the following described area:
 10-15 UNLESS otherwise specified, the boundaries of this district will
 10-16 travel along the centerline of each street included, and each
 10-17 intersection will be the intersection of the centerlines of the
 10-18 streets mentioned.

10-19 Beginning at the intersection of Interstate 610 and Cullen
 10-20 Boulevard; thence in a northeasterly direction along Cullen
 10-21 Boulevard to Griggs Road. Thence in a southeasterly direction
 10-22 along Griggs Road until it becomes Long Drive. Thence in a
 10-23 southeasterly direction along Long Drive to Mykawa Road. Thence in
 10-24 a southeasterly direction along Mykawa Road to Interstate 610.
 10-25 Thence in a southwesterly direction on Interstate 610 to Cullen
 10-26 Boulevard to the point of BEGINNING.

10-27 SECTION 3. REIMBURSEMENT FOR COST OF CREATION. The Harris
 10-28 County Improvement District No. 21 may reimburse the cost of
 10-29 creating the district from assessments or other revenue created by
 10-30 the district or consolidated district under Section 3892.251,
 10-31 Special District Local Laws Code, as added by this Act.

10-32 SECTION 4. LEGISLATIVE FINDINGS. The legislature finds
 10-33 that:

10-34 (1) proper and legal notice of the intention to
 10-35 introduce this Act, setting forth the general substance of this
 10-36 Act, has been published as provided by law, and the notice and a
 10-37 copy of this Act have been furnished to all persons, agencies,
 10-38 officials, or entities to which they are required to be furnished by
 10-39 the constitution and laws of this state, including the governor,
 10-40 who has submitted the notice and Act to the Texas Commission on
 10-41 Environmental Quality;

10-42 (2) the Texas Commission on Environmental Quality has
 10-43 filed its recommendations relating to this Act with the governor,
 10-44 lieutenant governor, and speaker of the house of representatives
 10-45 within the required time;

10-46 (3) the general law relating to consent by political
 10-47 subdivisions to the creation of districts with conservation,
 10-48 reclamation, and road powers and the inclusion of land in those
 10-49 districts has been complied with; and

10-50 (4) all requirements of the constitution and laws of
 10-51 this state and the rules and procedures of the legislature with
 10-52 respect to the notice, introduction, and passage of this Act have
 10-53 been fulfilled and accomplished.

10-54 SECTION 5. EFFECTIVE DATE. This Act takes effect
 10-55 immediately if it receives a vote of two-thirds of all the members
 10-56 elected to each house, as provided by Section 39, Article III, Texas
 10-57 Constitution. If this Act does not receive the vote necessary for
 10-58 immediate effect, this Act takes effect September 1, 2009.

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