

1-1 By: Fletcher (Senate Sponsor - Patrick) H.B. No. 4829
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 23, 2009, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 23, 2009, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the creation of the Harris County Improvement District
1-10 No. 17; providing authority to impose an assessment, impose a tax,
1-11 and issue bonds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-13 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-14 Code, is amended by adding Chapter 3891 to read as follows:

1-15 CHAPTER 3891. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 17

1-16 SUBCHAPTER A. GENERAL PROVISIONS

1-17 Sec. 3891.001. DEFINITIONS. In this chapter:

1-18 (1) "Board" means the district's board of directors.

1-19 (2) "Director" means a board member.

1-20 (3) "District" means the Harris County Improvement
1-21 District No. 17.

1-22 Sec. 3891.002. NATURE OF DISTRICT. The Harris County
1-23 Improvement District No. 17 is a special district created under
1-24 Section 59, Article XVI, Texas Constitution.

1-25 Sec. 3891.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-26 creation of the district is essential to accomplish the purposes of
1-27 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-28 Texas Constitution, and other public purposes stated in this
1-29 chapter. By creating the district and in authorizing the City of
1-30 Houston, Harris County, and other political subdivisions to
1-31 contract with the district, the legislature has established a
1-32 program to accomplish the public purposes set out in Section 52-a,
1-33 Article III, Texas Constitution.

1-34 (b) The creation of the district is necessary to promote,
1-35 develop, encourage, and maintain employment, commerce,
1-36 transportation, housing, tourism, recreation, the arts,
1-37 entertainment, economic development, safety, and the public
1-38 welfare in the district.

1-39 (c) This chapter and the creation of the district may not be
1-40 interpreted to relieve Harris County from providing the level of
1-41 services provided, as of the effective date of the Act enacting this
1-42 chapter, to the area in the district. The district is created to
1-43 supplement and not to supplant the county services provided in the
1-44 area in the district.

1-45 Sec. 3891.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-46 The district is created to serve a public use and benefit.

1-47 (b) All land and other property included in the district
1-48 will benefit from the improvements and services to be provided by
1-49 the district under powers conferred by Sections 52 and 52-a,
1-50 Article III, and Section 59, Article XVI, Texas Constitution, and
1-51 other powers granted under this chapter.

1-52 (c) The creation of the district is in the public interest
1-53 and is essential to:

1-54 (1) further the public purposes of developing and
1-55 diversifying the economy of the state;

1-56 (2) eliminate unemployment and underemployment; and

1-57 (3) develop or expand transportation and commerce.

1-58 (d) The district will:

1-59 (1) promote the health, safety, and general welfare of
1-60 residents, employers, employees, potential employees, visitors,
1-61 and consumers in the district, and of the public;

1-62 (2) provide needed funding for the district to
1-63 preserve, maintain, and enhance the economic health and vitality of
1-64 the district territory as a community and business center;

2-1 (3) promote the health, safety, welfare, and enjoyment
2-2 of the public by providing pedestrian ways and by landscaping and
2-3 developing certain areas in the district, which are necessary for
2-4 the restoration, preservation, and enhancement of scenic beauty;
2-5 and

2-6 (4) provide for water, wastewater, drainage, road,
2-7 and recreational facilities for the district.

2-8 (e) Pedestrian ways along or across a street, whether at
2-9 grade or above or below the surface, and street lighting, street
2-10 landscaping, parking, and street art objects are parts of and
2-11 necessary components of a street and are considered to be a street
2-12 or road improvement.

2-13 (f) The district will not act as the agent or
2-14 instrumentality of any private interest even though the district
2-15 will benefit many private interests as well as the public.

2-16 Sec. 3891.005. INITIAL DISTRICT TERRITORY. (a) The
2-17 district is initially composed of the territory described by
2-18 Section 2 of the Act enacting this chapter.

2-19 (b) The boundaries and field notes contained in Section 2 of
2-20 the Act enacting this chapter form a closure. A mistake in the
2-21 field notes or in copying the field notes in the legislative process
2-22 does not affect the district's:

2-23 (1) organization, existence, or validity;

2-24 (2) right to issue any type of bond for the purposes
2-25 for which the district is created or to pay the principal of and
2-26 interest on the bond;

2-27 (3) right to impose or collect an assessment or tax; or

2-28 (4) legality or operation.

2-29 Sec. 3891.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-30 All or any part of the area of the district is eligible to be
2-31 included in:

2-32 (1) a tax increment reinvestment zone created under
2-33 Chapter 311, Tax Code;

2-34 (2) a tax abatement reinvestment zone created under
2-35 Chapter 312, Tax Code; or

2-36 (3) an enterprise zone created under Chapter 2303,
2-37 Government Code.

2-38 Sec. 3891.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-39 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-40 Chapter 375, Local Government Code, applies to the district.

2-41 [Sections 3891.008-3891.050 reserved for expansion]

2-42 SUBCHAPTER B. BOARD OF DIRECTORS

2-43 Sec. 3891.051. GOVERNING BODY; TERMS. The district is
2-44 governed by a board of five directors who serve staggered terms of
2-45 four years, with two or three directors' terms expiring June 1 of
2-46 each odd-numbered year.

2-47 Sec. 3891.052. APPOINTMENT OF DIRECTORS. (a) The board
2-48 shall recommend to the Harris County Commissioners Court persons to
2-49 serve on the succeeding board.

2-50 (b) After reviewing the board's recommendations of persons
2-51 to serve on the succeeding board, the commissioners court shall
2-52 appoint as directors or disapprove the recommended persons.

2-53 (c) If the governing body of the City of Houston objects to
2-54 any of the board's recommendations of persons to serve on the
2-55 succeeding board, the board, on the request of the commissioners
2-56 court, shall submit additional recommendations.

2-57 (d) Board members may serve successive terms.

2-58 (e) If any provision of Subsections (a) through (d) is found
2-59 to be invalid, the Texas Commission on Environmental Quality shall
2-60 appoint the succeeding board from recommendations of persons to
2-61 serve on the succeeding board submitted by the board.

2-62 Sec. 3891.053. ELIGIBILITY. To be eligible to serve as a
2-63 director, a person must meet the qualifications in Section 375.063,
2-64 Local Government Code.

2-65 Sec. 3891.054. INITIAL DIRECTORS. (a) The initial board
2-66 consists of the following voting directors:

	<u>Pos. No.</u>	<u>Name of Director</u>
2-67	<u>1</u>	<u>Joe Bullard</u>
2-68	<u>2</u>	<u>Hollis Bullard</u>
2-69		

- 3-1 3 Tim Culp
- 3-2 4 Joe Fogarty
- 3-3 5 Art DePue

3-4 (b) Of the initial directors, the terms of three directors
 3-5 expire June 1, 2011, and the terms of two directors expire June 1,
 3-6 2013. The initial directors shall draw lots to determine which two
 3-7 directors' terms expire June 1, 2013.

3-8 (c) Section 3891.052 does not apply to this section.

3-9 (d) This section expires September 1, 2014.

3-10 [Sections 3891.055-3891.100 reserved for expansion]

3-11 SUBCHAPTER C. POWERS AND DUTIES

3-12 Sec. 3891.101. GENERAL POWERS AND DUTIES. The district has
 3-13 the powers and duties necessary to accomplish the purposes for
 3-14 which the district is created.

3-15 Sec. 3891.102. MUNICIPAL MANAGEMENT POWERS AND DUTIES. The
 3-16 district has the powers and duties provided by the general laws of
 3-17 this state, including Chapter 375, Local Government Code,
 3-18 applicable to a municipal management district created under
 3-19 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 3-20 Texas Constitution.

3-21 Sec. 3891.103. DEVELOPMENT CORPORATION POWERS. The
 3-22 district may exercise the powers given to a development corporation
 3-23 under Chapter 505, Local Government Code.

3-24 Sec. 3891.104. SPORTS VENUE. The district may construct,
 3-25 acquire, improve, maintain, and operate a sports venue, including
 3-26 an arena, coliseum, stadium, or other type of area or facility used
 3-27 for one or more professional or amateur sports or athletic events.

3-28 Sec. 3891.105. AGREEMENTS; GRANTS. The district may make
 3-29 an agreement with or accept a gift, grant, or loan from any person.

3-30 Sec. 3891.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 3-31 district may join and pay dues to a charitable or nonprofit
 3-32 organization that performs a service or provides an activity
 3-33 consistent with the furtherance of a district purpose.

3-34 Sec. 3891.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
 3-35 district may establish and provide for the administration of one or
 3-36 more programs to promote state or local economic development and to
 3-37 stimulate business and commercial activity in the district.

3-38 (b) The district has all of the economic development
 3-39 authority that:

3-40 (1) Chapter 380, Local Government Code, grants to a
 3-41 municipality with a population of more than 100,000; and

3-42 (2) Chapter 1509, Government Code, grants to a
 3-43 municipality.

3-44 Sec. 3891.108. NO EMINENT DOMAIN. The district may not
 3-45 exercise the power of eminent domain.

3-46 [Sections 3891.109-3891.150 reserved for expansion]

3-47 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-48 Sec. 3891.151. OPERATION AND MAINTENANCE TAX. (a) If
 3-49 authorized at an election held in accordance with Section 3891.158,
 3-50 the district may impose an annual operation and maintenance tax on
 3-51 taxable property in the district in accordance with Section 49.107,
 3-52 Water Code, for any district purpose, including to:

3-53 (1) maintain and operate the district;

3-54 (2) construct or acquire improvements; or

3-55 (3) provide a service.

3-56 (b) The board shall determine the tax rate. The rate may not
 3-57 exceed the rate approved at the election.

3-58 Sec. 3891.152. CONTRACT TAXES. (a) In accordance with
 3-59 Section 49.108, Water Code, the district may impose a tax other than
 3-60 an operation and maintenance tax and use the revenue derived from
 3-61 the tax to make payments under a contract after the provisions of
 3-62 the contract have been approved by a majority of the district voters
 3-63 voting at an election held for that purpose.

3-64 (b) A contract approved by the district voters may contain a
 3-65 provision stating that the contract may be modified or amended by
 3-66 the board without further voter approval.

3-67 Sec. 3891.153. AUTHORITY TO ISSUE BONDS AND OTHER
 3-68 OBLIGATIONS. The district may issue bonds, notes, or other
 3-69 obligations payable wholly or partly from ad valorem taxes, sales

4-1 and use taxes, assessments, impact fees, revenue, contract
 4-2 payments, grants, or other district money, or any combination of
 4-3 those sources of money, to pay for any authorized district purpose.

4-4 Sec. 3891.154. HOTEL OCCUPANCY TAX. (a) The district may
 4-5 impose a hotel occupancy tax in the manner that Chapter 351, Tax
 4-6 Code, provides for a municipality.

4-7 (b) A tax imposed under this section may not exceed the
 4-8 maximum rate under Section 351.003(a), Tax Code.

4-9 Sec. 3891.155. SALES AND USE TAX. (a) The district may
 4-10 impose a sales and use tax if authorized by a majority of the voters
 4-11 of the district voting at an election held for that purpose.
 4-12 Revenue from the tax may be used for any district purpose for which
 4-13 ad valorem tax revenue is used.

4-14 (b) The district may not impose a sales and use tax if as a
 4-15 result of the imposition of the tax the combined rate of all sales
 4-16 and use taxes imposed by the district and other political
 4-17 subdivisions of this state having territory in the district would
 4-18 exceed the amount allowable by law at any location in the district.

4-19 (c) If the voters of the district approve the adoption of
 4-20 the tax at an election held on the same election date on which
 4-21 another political subdivision adopts a sales and use tax or
 4-22 approves an increase in the rate of its sales and use tax and as a
 4-23 result the combined rate of all sales and use taxes imposed by the
 4-24 district and other political subdivisions of this state having
 4-25 territory in the district would exceed the amount allowable by law
 4-26 at any location in the district, the election to adopt a sales and
 4-27 use tax under this chapter has no effect.

4-28 (d) Except as otherwise provided by this chapter, Chapter
 4-29 321, Tax Code, applies to the imposition, computation,
 4-30 administration, enforcement, and collection of the sales and use
 4-31 tax imposed by this section.

4-32 Sec. 3891.156. TAXES FOR BONDS. At the time the district
 4-33 issues bonds payable wholly or partly from ad valorem taxes, the
 4-34 board shall provide for the annual imposition of an ad valorem tax,
 4-35 without limit as to rate or amount, while all or part of the bonds
 4-36 are outstanding as required and in the manner provided by Sections
 4-37 54.601 and 54.602, Water Code.

4-38 Sec. 3891.157. BONDS FOR ROAD PROJECTS. At the time of
 4-39 issuance the total principal amount of bonds or other obligations
 4-40 incurred to finance a road project may not exceed one-fourth of the
 4-41 assessed value of real property in the district.

4-42 Sec. 3891.158. ELECTIONS REGARDING TAXES AND BONDS. (a)
 4-43 The district may issue, without an election, bonds, notes, and
 4-44 other obligations secured by revenue or contract payments from any
 4-45 source other than ad valorem taxes.

4-46 (b) The district must hold an election in the manner
 4-47 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 4-48 before the district may impose an ad valorem tax or issue bonds
 4-49 payable from ad valorem taxes.

4-50 (c) The district may not issue bonds payable from ad valorem
 4-51 taxes to finance a road project unless the issuance is approved by a
 4-52 vote of a two-thirds majority of the district voters voting at an
 4-53 election held for that purpose.

4-54 SECTION 2. The Harris County Improvement District No. 17
 4-55 initially includes all the territory contained in the following
 4-56 area:

4-57 BEING 606.1394 acres of land out of a 644.0794 acre tract, that same
 4-58 tract described in a deed filed for record July 06, 1933 in Volume
 4-59 932, Page 98, Deed Records, Harris County, Texas, from John D. Reid,
 4-60 et al, to Humble Oil and Refining Company, all of the Chauncy
 4-61 Goodrich Survey Number 776, Patent 466, Volume 1, Abstract 305,
 4-62 containing 640 acres more or less in Harris County, Texas; said
 4-63 606.1394 acres more fully described as follows: BEGINNING at a 12
 4-64 inch diameter wood fence post found in the West line of the Sam
 4-65 Lewis Survey, Abstract 1704, the Southeast corner of the J. M.
 4-66 Hooper Survey, Abstract 375 and the Northeast corner of the Chauncy
 4-67 Goodrich Survey; THENCE South 00° 19' 00" East, with the West line of
 4-68 the Lewis Survey, a distance of 1005.00 feet to a point for the most
 4-69 Easterly Northeast corner of that certain 9.26 acre tract, conveyed

5-1 to Humble Oil and Refining Company from Magnolia Petroleum Company,
 5-2 by deed filed for record in Volume 1063, Page 557, Deed Records,
 5-3 Harris County, Texas; THENCE North 29° 36' 00" West, a distance of
 5-4 206.4 feet to a point for corner in the North line of said 9.26 acres
 5-5 ;THENCE South 89° 41' 00" West, a distance of 449.00 feet to a point
 5-6 in the East line of that certain 28.68 acre tract conveyed to Humble
 5-7 Oil and Refining Company from Socony Mobil Oil Company,
 5-8 Incorporation, by deed filed for record in Volume 6028, Page 80 or
 5-9 Harris County Clerk's File Number C139334, Harris County Deed
 5-10 Records, said point being the Northwest corner of said 9.26 acre
 5-11 tract; THENCE with the perimeter lines of said 28.68 acres the
 5-12 following calls:

5-13 (1) North 00° 19' 00" West, a distance of 586.4 feet to corner;
 5-14 (2) South 89° 36' 00" West, a distance of 597.9 feet to corner;
 5-15 (3) South 00° 31' 00" East, a distance of 434.1 feet to corner;
 5-16 (4) South 88° 43' 00" West, a distance of 418.6 feet to corner;
 5-17 (5) North 01° 00' 00" West, a distance of 211.2 feet to corner;
 5-18 (6) South 89° 00' 00" West, a distance of 394.5 feet to corner;
 5-19 (7) South 00° 54' 00" East, a distance of 500.00 feet to corner;
 5-20 (8) South 89° 13' 00" East, a distance of 508.4 feet to corner;
 5-21 (9) South 00° 54' 00" East, a distance of 411.6 feet to corner;
 5-22 (10) North 89° 38' 00" East, a distance of 289.7 feet to corner;
 5-23 (11) South 00° 36' 00" East, a distance of 180.8 feet to corner;
 5-24 (12) North 89° 38' 00" East, passing at 603.6 feet the Southeast
 5-25 corner of said 28.68 acres, the Southwest corner of said 9.26 acres,
 5-26 continuing with the South line of said 9.26 acres, in all, a
 5-27 distance of 1153.6 feet to a point for the Southeast corner of said
 5-28 9.26 acres in the West line of the Lewis Survey, the East line of the
 5-29 Goodrich Survey and said 644.0794 acre tract: THENCE South 00° 19'
 5-30 00" East, with the West line of the Lewis Survey, a distance of
 5-31 3706.59 feet to a 1 inch iron pipe found in the North line of the
 5-32 August Senechal Survey, Abstract 722 and Lot 53 of Boudreaux
 5-33 Estates, unrecorded subdivision; THENCE South 89° 19' 23" West, with
 5-34 the North line of the Senechal Survey, Lots 50, 51, 52 and 53 of said
 5-35 Boudreaux Estates, a 16.349 acre tract conveyed to John E. Kolb,
 5-36 Trustee of Harris County, recorded under Harris County Clerk's File
 5-37 Number F196319, passing it's Northwest corner and the common North
 5-38 corner of said Senechal Survey and I & G. N. R. R. Company Survey,
 5-39 Abstract 952 at 2385 feet more or less, continuing in the North line
 5-40 of said I & G. N. R. R. Company Survey and a 6.470 acre tract
 5-41 recorded under Harris County Clerk's File Number R716867 and along
 5-42 a wire fence, in all, a distance of 5279.26 feet to a 3/4 inch iron
 5-43 pipe found at the base of a fence corner post, said pipe marking the
 5-44 Southeast corner of the John M. Hooper Survey, Abstract 372, the
 5-45 Southeast corner of the William Kobs, 323 acre tract, recorded in
 5-46 Volume 16, Page 188, Deed Records, Harris County, Texas and the
 5-47 Southwest corner of the Chauncy Goodrich Survey and the tract
 5-48 herein described; THENCE North 00° 13' 42" West, with the East line
 5-49 of the Kobs Tract, the East line of the Hooper Survey, the West line
 5-50 of the Goodrich Survey and along a wire fence, a distance of 5355.75
 5-51 feet to a fence corner post found in the South line of the Hooper
 5-52 Survey, Abstract 375, marking the Northwest corner of the tract
 5-53 herein described from which a 5/8 inch iron rod found bears North
 5-54 86° 01' 14" West, 4.65 feet; THENCE South 89° 52' 17" East, with the
 5-55 South line of the Hooper Survey, Abstract 375, the North line of the
 5-56 Goodrich Survey, the tract herein described and along a wire fence,
 5-57 a distance of 5271.05 feet to the PLACE OF BEGINNING containing
 5-58 606.1394 acres. Together with the following: (1) a 60 foot wide road
 5-59 easement extending from the Southwest right-of-way of State Highway
 5-60 249 West to the common line between the Sam Lewis Survey, Abstract
 5-61 1704, and the C. N. Pillot Survey, Abstract 632, recorded under
 5-62 Harris County Clerk's File Number S283266, Official Public Records
 5-63 of Real Property, Harris County, Texas; (2) a 100 foot wide road
 5-64 easement extending from the common line between the Lewis Survey
 5-65 and the Pillot Survey, West, to the East line of the Chauncy
 5-66 Goodrich Survey, Abstract 305, recorded in Volume 934, Page 27,
 5-67 Deed Records, Harris County, Texas; (3) a 100 foot wide road
 5-68 easement, extending West from the Goodrich Survey East line and
 5-69 being more fully described as follows: BEGINNING at a 1/2 inch iron

6-1 rod found for the Northwest corner of that certain 100 foot wide
 6-2 road easement recorded in Volume 934, Page 27, Deed Records, Harris
 6-3 County, Texas, in the West line of the Sam Lewis Survey, Abstract
 6-4 1704, the East line of the Chauncy Goodrich Survey, Abstract 305;
 6-5 THENCE South 00° 19' 00" East, with the East line of the Goodrich
 6-6 Survey, a distance of 100.00 feet; THENCE South 89° 18' 37" West, a
 6-7 distance of 1118.84 feet to a 1/2 inch iron rod found for corner;
 6-8 THENCE North 00° 54' 00" West, a distance of 100.00 feet to a 1/2
 6-9 inch iron rod found in the South line of that certain 28.68 acre
 6-10 tract recorded in Volume 6028, Page 80, Deed Records, Harris
 6-11 County, Texas, the Northwest corner of the tract herein described;
 6-12 THENCE North 89° 18' 37" East, with the South line of said 28.68 acre
 6-13 tract and a 9.26 acre Tomball Gas Plant Tract recorded in Volume
 6-14 1063, Page 557, Deed Records, Harris County, Texas, a distance of
 6-15 1119.86 feet to the PLACE OF BEGINNING, containing 2.56 acres more
 6-16 or less.

6-17 SECTION 3. (a) The legal notice of the intention to
 6-18 introduce this Act, setting forth the general substance of this
 6-19 Act, has been published as provided by law, and the notice and a
 6-20 copy of this Act have been furnished to all persons, agencies,
 6-21 officials, or entities to which they are required to be furnished
 6-22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 6-23 Government Code.

6-24 (b) The governor, one of the required recipients, has
 6-25 submitted the notice and Act to the Texas Commission on
 6-26 Environmental Quality.

6-27 (c) The Texas Commission on Environmental Quality has filed
 6-28 its recommendations relating to this Act with the governor,
 6-29 lieutenant governor, and speaker of the house of representatives
 6-30 within the required time.

6-31 (d) The general law relating to consent by political
 6-32 subdivisions to the creation of districts with conservation,
 6-33 reclamation, and road powers and the inclusion of land in those
 6-34 districts has been complied with.

6-35 (e) All requirements of the constitution and laws of this
 6-36 state and the rules and procedures of the legislature with respect
 6-37 to the notice, introduction, and passage of this Act have been
 6-38 fulfilled and accomplished.

6-39 SECTION 4. This Act takes effect immediately if it receives
 6-40 a vote of two-thirds of all the members elected to each house, as
 6-41 provided by Section 39, Article III, Texas Constitution. If this
 6-42 Act does not receive the vote necessary for immediate effect, this
 6-43 Act takes effect September 1, 2009.

6-44 * * * * *