

1-1 By: Williams S.B. No. 2515
1-2 (In the Senate - Filed April 8, 2009; April 8, 2009, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 4, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 4, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2515 By: Nichols

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

1-10 relating to the administration, powers and duties, operations, and
1-11 financing of The Woodlands Township; providing authority to impose
1-12 an events admission tax.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsection (c), Section 1, Chapter 289, Acts of
1-15 the 73rd Legislature, Regular Session, 1993, is amended to read as
1-16 follows:

1-17 (c) The name of the district may be changed by resolution of
1-18 the board of directors of the district at any time. A reference in
1-19 this Act to the district means the name of the district as changed.

1-20 SECTION 2. Section 7, Chapter 289, Acts of the 73rd
1-21 Legislature, Regular Session, 1993, is amended by adding
1-22 Subsections (s), (t), (u), (v), (w), (x), (y), (z), (aa), (bb),
1-23 (cc), and (dd) to read as follows:

1-24 (s) The district may make, enter into, and enforce tax
1-25 abatement agreements in the same manner as other taxing units under
1-26 Chapter 312, Tax Code. Before an ad valorem tax is first imposed,
1-27 the district may enter into a tax abatement agreement with the owner
1-28 of property subject to a tax abatement agreement with a county in
1-29 which any part of the district is located. The agreement may
1-30 provide for the parties to be bound by the same terms as the county
1-31 agreement for the remaining term of the county agreement and
1-32 provide for the same share of the property exempted by the county
1-33 agreement to be exempted from taxation by the district in each
1-34 remaining year of the county agreement.

1-35 (t) In order to promote business retention, sustain
1-36 employment, and prevent substandard and blighted housing
1-37 conditions, the district may:

1-38 (1) except as otherwise provided by this subsection
1-39 and in the same manner as a qualified association, assume, accept an
1-40 assignment of, succeed to, or contract to undertake, exercise, or
1-41 perform:

1-42 (A) all or part of the rights, powers,
1-43 privileges, duties, responsibilities, assets, liabilities, and
1-44 obligations of a qualified association under community covenants;

1-45 (B) any contracts, agreements, leases,
1-46 commitments, loans, pledges, instruments of indebtedness, or other
1-47 undertakings with any person, regardless of whether the person is a
1-48 qualified association, in the exercise of the rights, powers,
1-49 privileges, duties, or responsibilities described by Paragraph
1-50 (A);

1-51 (C) the administration, enforcement, amendment,
1-52 supplementation, repeal, revocation, or rescission of a community
1-53 covenant as provided by the covenant; or

1-54 (D) the functions, duties, and responsibilities
1-55 of the board of directors of a qualified association, without the
1-56 necessity of electing or appointing members of the board of
1-57 directors of the qualified association;

1-58 (2) administer and perform procedures established in a
1-59 community covenant or a related agreement for the selection or
1-60 appointment of members or officers to committees, village
1-61 association governing bodies, or similar positions;

1-62 (3) arrange or contract with one or more
1-63 municipalities, political subdivisions, or nonprofit organizations

2-1 for the provision of services and facilities to all or part of the
2-2 territory in or adjacent to the district that are substantially
2-3 equivalent to the services or facilities provided by the district
2-4 or a qualified association in the district, provided that the
2-5 district may not transfer, assign, or abrogate responsibility for
2-6 the administration or enforcement of any land use restrictions or
2-7 negative covenants included in a community covenant that apply to
2-8 land in or adjacent to the district;
2-9 (4) own, acquire, construct, improve, repair,
2-10 rehabilitate, operate, maintain, lease, purchase, sell, dispose
2-11 of, encumber, abandon, or remove:
2-12 (A) any buildings, improvements, or facilities;
2-13 or
2-14 (B) any real, personal, or mixed property; and
2-15 (5) assess, charge, collect, pledge, encumber, and
2-16 apply any fees, rents, charges, or proceeds received for the use,
2-17 enjoyment, or disposition of a building, improvement, facility, or
2-18 property or for a service or facility.
2-19 (u) The actions and proceedings of the district and the
2-20 board of directors under Subsection (t) of this section are
2-21 governmental functions. Title 11, Property Code, does not apply to
2-22 the district. This Act may not be construed as constituting a
2-23 waiver of governmental or sovereign immunity from suit, liability,
2-24 or judgment.
2-25 (v) In this section:
2-26 (1) "Qualified association" means a nonprofit
2-27 property owners' association created and operated by a planned
2-28 community, as that term is defined by Section 43.0754, Local
2-29 Government Code.
2-30 (2) "Community covenant" means recorded land use
2-31 restrictions and covenants applicable to a planned community, as
2-32 that term is defined by Section 43.0754, Local Government Code.
2-33 (w) The district may develop and maintain and may sell,
2-34 lease, encumber, abandon, or dispose of recreational facilities,
2-35 including an open space and a related street, sidewalk, path,
2-36 building, structure, improvement, or appurtenance. Subchapter N,
2-37 Chapter 49, Water Code, does not apply to the district, except that
2-38 the terms "develop and maintain" and "recreational facilities" have
2-39 the meanings assigned by Section 49.462 of that chapter.
2-40 (x) The district is a special district but is treated as a
2-41 conservation and reclamation district that is entitled to
2-42 participate in the election of the board of directors of an
2-43 appraisal district for the purposes of Section 6.03, Tax Code.
2-44 (y) The district and a county tax assessor-collector may
2-45 contract for the collection of the delinquent assessments of a
2-46 qualified association for which the district has been assigned and
2-47 has assumed the duties, functions, and responsibilities. The
2-48 assessments may be collected through the use of the county's tax
2-49 billing and collection procedures or other mutually agreeable
2-50 means. A suit for collection of delinquent assessments under this
2-51 subsection:
2-52 (1) has the same priority and preference as a
2-53 delinquent tax collection suit; and
2-54 (2) shall be conducted in the same manner as a
2-55 delinquent tax collection suit.
2-56 (z) The district has the same rights and powers as a
2-57 municipality annexing territory in a district that provides
2-58 emergency services to cause all or part of the territory of the
2-59 district to be removed from the district providing emergency
2-60 services.
2-61 (aa) The board of directors by resolution may cause district
2-62 territory described in the resolution to be removed from the
2-63 boundaries and taxing jurisdiction of a transit authority whose
2-64 territory overlaps the district's territory if the district and a
2-65 municipality enter into a regional participation agreement under
2-66 Section 43.0754, Local Government Code, that requires the district
2-67 to deposit money into a regional participation fund for the
2-68 purpose, among others, of funding mobility projects of mutual
2-69 benefit to the district and municipality. A removal of territory

3-1 under this subsection takes effect on the date the board provides a
3-2 certified copy of the resolution to:
3-3 (1) the transit authority; and
3-4 (2) the comptroller.
3-5 (bb) Subject to approval by the county, the district by
3-6 rule, order, or resolution may, in the same manner provided for a
3-7 municipality by Chapter 393, Transportation Code, and Section
3-8 216.901, Local Government Code:
3-9 (1) prohibit, regulate, or authorize placement of
3-10 signs on the right-of-way of a road or highway maintained by the
3-11 county within the district, other than standard traffic control or
3-12 directional signs; or
3-13 (2) administer a kiosk program as provided by Section
3-14 393.0026, Transportation Code.
3-15 (cc) The district may enter into an interlocal agreement
3-16 with the county under which the county grants the district
3-17 permission to prohibit, regulate, or authorize placement of a
3-18 specific type or class of sign on the right-of-way of a highway that
3-19 is maintained by the county and located within the district.
3-20 (dd) Subsections (bb) and (cc) do not apply to a sign
3-21 regulated by another municipality, if all or part of the territory
3-22 of the district is incorporated, that is located within the
3-23 exclusive extraterritorial jurisdiction of that other
3-24 municipality.
3-25 SECTION 3. Section 7F, Chapter 289, Acts of the 73rd
3-26 Legislature, Regular Session, 1993, is amended by amending
3-27 Subsections (a) and (c) and adding Subsections (d), (e), (f), and
3-28 (g) to read as follows:
3-29 (a) In this section:
3-30 (1) "Fire-fighting services" has the meaning assigned
3-31 by Section 49.351(k), Water Code.
3-32 (2) "Fire[, "fire] protection personnel" has the
3-33 meaning assigned by Section 419.021, Government Code, except that a
3-34 reference to a fire department includes a nonprofit corporation
3-35 employing fire protection personnel and providing fire-fighting
3-36 services that is owned, operated, or controlled by the district.
3-37 (c) Before January 1, 2012 [2010], the district may not
3-38 directly employ any fire protection personnel but may own, operate,
3-39 or control a nonprofit corporation employing fire protection
3-40 personnel and providing fire-fighting services. This subsection
3-41 expires February [January] 1, 2012 [2010].
3-42 (d) Except as provided by Subsection (c) of this section, a
3-43 district may:
3-44 (1) directly, or through a nonprofit corporation
3-45 created, funded, owned, operated, or controlled by the district,
3-46 establish, acquire, operate, and maintain a fire department to
3-47 perform fire-fighting services in or adjacent to the district; and
3-48 (2) issue public securities, including public
3-49 securities approved by district voters and payable wholly or partly
3-50 from ad valorem taxes, to finance the construction, acquisition,
3-51 improvement, renovation, repair, or rehabilitation of any related
3-52 buildings, facilities, interests in land, equipment, or supplies.
3-53 (e) Subchapter L, Chapter 49, Water Code, does not apply to
3-54 the district.
3-55 (f) Unless other law requires a prior election, the district
3-56 shall hold an election to determine whether the district shall
3-57 adopt the provisions of Chapter 174, Local Government Code, if the
3-58 district receives a timely petition signed by a majority of the fire
3-59 protection personnel of the fire department of the district or of
3-60 any nonprofit corporation owned, operated, or controlled by the
3-61 district. On receipt and verification of the petition, the
3-62 district shall hold the election on a uniform election date that
3-63 occurs not later than the date of the last authorized uniform
3-64 election date in 2011 and shall conduct the election in compliance
3-65 with applicable law and Chapter 174, Local Government Code. This
3-66 subsection expires January 1, 2012.
3-67 (g) If an election is called under Subsection (f) of this
3-68 section and a majority of the voters voting in the election approve
3-69 the adoption by the district of the provisions of Chapter 174, Local

4-1 Government Code, the provisions of that chapter shall be binding on
 4-2 the district when the district, or any municipality or other form of
 4-3 local government succeeding to the principal assets, functions, and
 4-4 liabilities of the district, directly employs fire protection
 4-5 personnel. The results of the election shall continue in effect
 4-6 unless the adoption of Chapter 174, Local Government Code, is
 4-7 repealed in the manner provided by that chapter. A collective
 4-8 bargaining agreement made and entered into by the district under
 4-9 Chapter 174, Local Government Code, shall be binding on a successor
 4-10 municipality or local government.

4-11 SECTION 4. Chapter 289, Acts of the 73rd Legislature,
 4-12 Regular Session, 1993, is amended by adding Sections 7H and 7I to
 4-13 read as follows:

4-14 Sec. 7H. CREATION OF EMERGENCY SERVICES DISTRICT.

4-15 (a) Notwithstanding Chapter 775, Health and Safety Code, on
 4-16 receipt of an ordinance or resolution adopted by a municipality
 4-17 adjacent to the district requesting that action, the board, instead
 4-18 of the commissioners court of the county, may conduct a public
 4-19 hearing on the creation and establishment of an emergency services
 4-20 district to be located:

- 4-21 (1) wholly in one county;
- 4-22 (2) wholly within the corporate limits or
 4-23 extraterritorial jurisdiction of the requesting municipality; and
- 4-24 (3) outside the boundaries of any existing emergency
 4-25 services district.

4-26 (b) The request from the municipality must include:

- 4-27 (1) the elements required to be included in a petition
 4-28 for creation under Sections 775.013(a) and (a-1), Health and Safety
 4-29 Code; and

- 4-30 (2) an agreement between the district and the
 4-31 requesting municipality that the municipality will pay all costs of
 4-32 the district related to the request.

4-33 (c) Not later than the 21st day before the date of the
 4-34 hearing, the district shall publish at least once in a newspaper of
 4-35 general circulation in the requesting municipality a notice of the
 4-36 hearing containing the information required under Section
 4-37 775.015(c), Health and Safety Code.

4-38 (d) The board shall conduct the hearing in the same manner
 4-39 as provided for the commissioners court by Section 775.016, Health
 4-40 and Safety Code. If after the hearing the board determines that
 4-41 creation of the emergency services district is feasible and will
 4-42 promote the public safety, welfare, health, and convenience of
 4-43 persons residing in and adjacent to the proposed emergency services
 4-44 district, the board, subject to Subsection (e) of this section,
 4-45 shall grant the request and fix the boundaries of the emergency
 4-46 services district.

4-47 (e) The requesting municipality may order an election to
 4-48 confirm the creation of the emergency services district and to
 4-49 authorize the imposition of a tax not to exceed the rate allowed by
 4-50 Section 48-e, Article III, Texas Constitution. The emergency
 4-51 services district is created and shall organize and operate under
 4-52 Chapter 775, Health and Safety Code, if a majority of the voters
 4-53 voting in the election approve the creation of the emergency
 4-54 services district.

4-55 (f) The governing body of the requesting municipality shall
 4-56 appoint the initial and successor emergency services commissioners
 4-57 for the emergency services district in the same manner as a
 4-58 commissioners court appoints emergency services commissioners
 4-59 under Section 775.034, Health and Safety Code, except that:

- 4-60 (1) the governing body shall appoint only three
 4-61 emergency services commissioners who shall serve as the governing
 4-62 body of the emergency services district; and
- 4-63 (2) the emergency services commissioners shall serve
 4-64 staggered two-year terms.

4-65 (g) To be eligible for appointment to the board of emergency
 4-66 services commissioners, a person must:

- 4-67 (1) be at least 18 years of age;
- 4-68 (2) be a citizen of this state; and
- 4-69 (3) reside within the requesting municipality or the

5-1 emergency services district.
 5-2 (h) At least two of the emergency services commissioners
 5-3 must reside in the emergency services district at all times.
 5-4 (i) An emergency services commissioner is not entitled to
 5-5 compensation or per diem allowances but is entitled to
 5-6 reimbursement of reasonable expenses incurred in performing the
 5-7 duties of an emergency services commissioner.
 5-8 (j) A concurrence of two emergency services commissioners
 5-9 is necessary in any matter relating to the business of the emergency
 5-10 services district. The offices of secretary and treasurer of the
 5-11 board of emergency services commissioners shall be combined, and an
 5-12 assistant treasurer may not be elected.
 5-13 (k) Section 775.076(a-1), Health and Safety Code, does not
 5-14 apply to an emergency services district created under this section.
 5-15 (l) The emergency services district may be dissolved and
 5-16 abolished only on official action of the governing body of the
 5-17 municipality and on assumption by the municipality of all of the
 5-18 assets and liabilities of the emergency services district. The
 5-19 municipality may dissolve and abolish the emergency services
 5-20 district:
 5-21 (1) by removing all territory from the emergency
 5-22 services district; or
 5-23 (2) after receiving a petition signed by not less than
 5-24 10 percent of the registered voters in the emergency services
 5-25 district requesting dissolution and abolition of the emergency
 5-26 services district.
 5-27 Sec. 7I. EVENT ADMISSIONS TAX. (a) In this section:
 5-28 (1) "Cultural education" means the exhibition or
 5-29 promotion of or education about the performing, dramatic, visual,
 5-30 literary, or fine arts, including historical, geological,
 5-31 archeological, or paleontological sciences, and history, natural
 5-32 history, scientific, cultural, ethnic, or heritage education
 5-33 meeting local community standards in the district.
 5-34 (2) "Event" means any performance, exhibition,
 5-35 showing, or similar presentation at a venue for which an admission
 5-36 fee or charge is imposed by the venue user, including a cultural
 5-37 education event.
 5-38 (3) "Venue" means an indoor or outdoor theater, music,
 5-39 exhibition, rehearsal, or concert hall, opera house, auditorium,
 5-40 park, zoo, museum, aquarium, plaza, civic center, or similar
 5-41 building or forum in the district, other than a motion picture
 5-42 theater, regardless of whether the district owns, operates, leases,
 5-43 finances, or uses the venue.
 5-44 (4) "Venue user" means an owner, lessee, operator, or
 5-45 other user of a venue that:
 5-46 (A) is not a governmental entity; and
 5-47 (B) presents more than four events in a calendar
 5-48 year.
 5-49 (b) The district by order may impose a tax on each ticket
 5-50 sold as admission to an event held at a venue.
 5-51 (c) The amount of the tax may be imposed at any uniform
 5-52 percentage not to exceed five percent of the price of the ticket
 5-53 sold as admission to an event held at a venue.
 5-54 (d) The district by order may increase, repeal, or decrease
 5-55 the rate of the tax imposed under this section.
 5-56 (e) The district by order may require the venue user to
 5-57 collect the tax for the benefit of the district.
 5-58 (f) A venue user required to collect the tax under this
 5-59 section shall add the tax to the admissions price, and the tax is a
 5-60 part of the admissions price, is a debt owed to the venue user by the
 5-61 person admitted, and is recoverable at law in the same manner as the
 5-62 admissions price.
 5-63 (g) The tax imposed by this section is not an occupation tax
 5-64 imposed on the venue user.
 5-65 (h) A tax imposed under this section or a change in a tax
 5-66 rate takes effect on the date prescribed by the order imposing the
 5-67 tax or changing the rate.
 5-68 (i) A person required to collect a tax imposed under this
 5-69 section shall report and remit the taxes to the district as provided

6-1 by order of the district.

6-2 (j) The district by order may prescribe penalties and
 6-3 interest charges for failure to keep records required by the
 6-4 district, to report when required, or to fully and timely collect or
 6-5 remit the tax. The district may bring suit against a person who
 6-6 fails to collect a tax under this section or to fully and timely
 6-7 remit the tax to the district.

6-8 (k) The district by order may permit a person who is
 6-9 required to collect a tax under this section to retain a percentage
 6-10 of the amount collected and required to be reported as
 6-11 reimbursement to the person for the costs of collecting the tax.
 6-12 The district may provide that the person may retain the amount only
 6-13 if the person pays the tax and files reports as required by the
 6-14 district.

6-15 (l) The district and any venue user may enter into an
 6-16 agreement for a term of not more than 20 years:

6-17 (1) providing for the payment or reimbursement, or the
 6-18 reservation of tax proceeds for the payment or reimbursement, to
 6-19 the venue user of all or any agreed portion of the venue user's
 6-20 actual costs of operations, maintenance, management, financing,
 6-21 funding development, capital costs, debt service, or other actual
 6-22 costs of the production, promotion, or presentation of a cultural
 6-23 education event at the venue; and

6-24 (2) containing any other terms, conditions, and
 6-25 provisions as may be considered necessary and appropriate to
 6-26 support cultural education in the district.

6-27 (m) The proceeds received by the district from the tax
 6-28 authorized by this section may be used only to support cultural
 6-29 education in the district.

6-30 (n) The district may continue to impose the tax authorized
 6-31 by this section after any contractual obligations have been
 6-32 fulfilled if the tax revenue is used to support cultural education.

6-33 (o) An agreement entered into in anticipation of this
 6-34 section taking effect that otherwise meets the requirements of this
 6-35 section is not invalid because it was authorized, executed, or
 6-36 entered into before the effective date of this section.

6-37 SECTION 5. Subsection (j), Section 8, Chapter 289, Acts of
 6-38 the 73rd Legislature, Regular Session, 1993, is amended to read as
 6-39 follows:

6-40 (j) Except as provided by Subsection (e) of this section, a
 6-41 majority of the total authorized number of [~~four~~] directors
 6-42 constitutes [~~constitute~~] a quorum for the consideration of all
 6-43 matters pertaining to the business of the district, and a
 6-44 concurrence of a majority of a quorum of directors shall be required
 6-45 for any official action of the district.

6-46 SECTION 6. Section 9, Chapter 289, Acts of the 73rd
 6-47 Legislature, Regular Session, 1993, is amended by amending
 6-48 Subsection (g) and adding Subsection (l) to read as follows:

6-49 (g) After passage of the propositions in the confirmation
 6-50 election, as required by Subsection (e) of this section and Section
 6-51 7-a of this Act:

6-52 (1) an election shall be called for the uniform
 6-53 election date in May of the next even-numbered year for the election
 6-54 of five directors at large. The three candidates receiving the
 6-55 highest number of votes shall be elected for a term of three years,
 6-56 and the two candidates receiving the next highest number of votes
 6-57 shall be elected for a term of two years;

6-58 (2) an election shall be called for the uniform
 6-59 election date in May of the next succeeding even-numbered year
 6-60 after the election held under Subdivision (1) of this subsection,
 6-61 for the election of four directors by position [~~at large~~]. Each of
 6-62 the [~~The~~] four candidates [~~receiving the highest number of votes~~
 6-63 ~~shall be~~] elected shall serve for a term of two years; and

6-64 (3) an election shall be called annually thereafter
 6-65 for the uniform election date in May of each year for the election
 6-66 by position of either three or four directors, as appropriate, to
 6-67 serve two-year terms.

6-68 (l) An election held on the proposition of incorporating all
 6-69 or part of the territory of the district under Subsection (h)(2) of

7-1 this section may be held regardless of population or area limits
 7-2 described by Section 5.901, Local Government Code, or other law, if
 7-3 the area to be incorporated has a population of 5,000 or more
 7-4 inhabitants according to the most recent federal decennial census
 7-5 or other credible population records.

7-6 SECTION 7. Chapter 289, Acts of the 73rd Legislature,
 7-7 Regular Session, 1993, is amended by adding Section 11B-1 to read as
 7-8 follows:

7-9 Sec. 11B-1. SUPPLEMENTAL HOTEL OCCUPANCY TAX. (a) In
 7-10 addition to the tax authorized by Section 11A of this Act, but
 7-11 subject to Subsection (c) of this section, the board by order may
 7-12 impose, repeal, increase, or decrease a supplemental hotel
 7-13 occupancy tax in the same manner as the tax authorized by Section
 7-14 11A of this Act. The rate of the supplemental tax may not exceed two
 7-15 percent of the price paid for a room in a hotel.

7-16 (b) The district shall apply the proceeds from the
 7-17 supplemental tax imposed under Subsection (a) of this section
 7-18 solely for the purposes described by Sections 352.101(a) and
 7-19 352.1015, Tax Code, provided that at least 75 percent of the
 7-20 proceeds from the supplemental tax, as determined on an annual
 7-21 average basis, must be used for the purpose of establishing,
 7-22 operating, and maintaining a convention and visitors bureau within
 7-23 or adjacent to the district. For purposes of this subsection, a
 7-24 reference in Section 352.101(a) or 352.1015, Tax Code, to a county,
 7-25 county officer, or commissioners court means the district, a
 7-26 district officer, or the board, as appropriate.

7-27 (c) The board may not impose the supplemental tax authorized
 7-28 by Subsection (a) of this section before January 1, 2011. The board
 7-29 may impose the tax at a rate not to exceed one percent until
 7-30 December 31, 2011. On or after January 1, 2012, the board may
 7-31 impose the tax at a rate not to exceed two percent.

7-32 SECTION 8. Section 11C, Chapter 289, Acts of the 73rd
 7-33 Legislature, Regular Session, 1993, is amended by amending
 7-34 Subsections (g), (k), and (p) and adding Subsections (g-1) and (s)
 7-35 to read as follows:

7-36 (g) Members of the governing body shall be appointed for a
 7-37 term of two years, except that:

7-38 (1) the appointment of the initial members of the
 7-39 governing body may provide for some terms to be limited to one year
 7-40 in order to achieve staggered terms of office; and

7-41 (2) the board by resolution may:

7-42 (A) extend the terms of office of members of the
 7-43 governing body beyond two years to the extent necessary to
 7-44 coordinate those terms with the next election of members of the
 7-45 board of directors; or

7-46 (B) provide for one-year terms of office for
 7-47 members of a subsequent governing body.

7-48 (g-1) The district by appointment shall fill a vacancy on
 7-49 the governing body of the zone for the unexpired portion of the
 7-50 term.

7-51 (k) A development zone created by the district under this
 7-52 section is a body politic and corporate and a political subdivision
 7-53 of the state, separate from the district. The district and the
 7-54 development zone have the same power and authority to carry out this
 7-55 section as Section 311.008, Tax Code, provides a municipality to
 7-56 carry out Chapter 311, Tax Code. In addition to the powers granted
 7-57 to the governing body by this section, the board by order may
 7-58 delegate, subject in whole or in part to final approval by the
 7-59 board, any powers and duties relating to the financing and
 7-60 implementation of the project plan for the zone, including the
 7-61 power and authority to:

7-62 (1) issue tax increment bonds or notes for and in the
 7-63 name of the zone in the same manner as Section 311.015 [~~311.010~~],
 7-64 Tax Code, provides for a municipality, except that tax increment
 7-65 bonds or notes of the zone must mature in not more than 30 years, to
 7-66 fund any project of the zone and pay any related bond issuance and
 7-67 bond reserve costs or to refund any bonds, notes, contractual
 7-68 obligations, commitments, or undertakings of the zone, including
 7-69 the reimbursement to any person for project costs and related

8-1 interest for which the zone would have been authorized to issue its
8-2 bonds or notes;
8-3 (2) pledge irrevocably all or part of the tax
8-4 increment fund for the zone, as Section 311.015, Tax Code, provides
8-5 for a municipality; and
8-6 (3) impose, assess, and collect ad valorem taxes,
8-7 assessments, and other charges in the zone, as Chapter 375, Local
8-8 Government Code, provides for municipal management districts, as
8-9 well as the incremental sales and use tax authorized by this
8-10 section, if the ad valorem tax or incremental sales and use tax has
8-11 been approved by the qualified voters of the district at an election
8-12 called and held for that purpose.
8-13 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
8-14 apply to the district, except that for purposes of this subsection:
8-15 (1) a reference in those sections to a municipality
8-16 means the district and the development zone;
8-17 (2) a reference in those sections to an ordinance
8-18 means an order;
8-19 (3) a reference in those sections to a reinvestment
8-20 zone means a development zone;
8-21 (4) a reference in those sections to an agreement made
8-22 under Subsection (b), Section 311.010, Tax Code, means an agreement
8-23 made under Subsection (1) of this section;
8-24 (5) "development" means initial development;
8-25 (6) "redevelopment" means substantial redevelopment;
8-26 [and]
8-27 (7) Section 311.016, Tax Code, applies only if ad
8-28 valorem taxes are used, in whole or in part, in payment of project
8-29 costs of a development zone; and
8-30 (8) a development zone created without a duration or
8-31 date of termination may be dissolved by a two-thirds vote of the
8-32 board of directors of the district or of the governing body of a
8-33 municipality or other form of local government succeeding to the
8-34 principal assets, powers, functions, and liabilities of the
8-35 district, but only if:
8-36 (A) the development zone has no outstanding
8-37 indebtedness or other obligations; or
8-38 (B) the assets, powers, functions, and
8-39 liabilities, and any outstanding indebtedness or obligations, of
8-40 the development zone are expressly assumed by the district or the
8-41 succeeding municipality or local government.
8-42 (s) The district or a municipality or other local government
8-43 succeeding to the principal assets, powers, functions, and
8-44 liabilities of the district may assume, exercise, perform, and
8-45 discharge the assets, powers, functions, and liabilities of a
8-46 development zone in the same manner, to the same extent, and for the
8-47 same purposes as a development zone created under this section.
8-48 SECTION 9. The heading to Section 12A, Chapter 289, Acts of
8-49 the 73rd Legislature, Regular Session, 1993, is amended to read as
8-50 follows:
8-51 Sec. 12A. PUBLIC SECURITIES [~~BONDS~~].
8-52 SECTION 10. Section 12A, Chapter 289, Acts of the 73rd
8-53 Legislature, Regular Session, 1993, is amended by amending
8-54 Subsections (a) and (c) and adding Subsections (d), (e), and (f) to
8-55 read as follows:
8-56 (a) The board may issue, sell, and deliver the public
8-57 securities [~~bonds~~] of the district in the manner provided by this
8-58 section or other applicable law, including Chapter 1371, Government
8-59 Code, and Subchapter J, Chapter 375, Local Government Code, for any
8-60 district purpose or to finance or pay for any district facilities,
8-61 programs, or improvement projects [~~project~~], including for the
8-62 purpose of making or providing for payment of any amounts due or to
8-63 become due from the district under a regional participation
8-64 agreement authorized by this Act or other law, to refund or
8-65 refinance any public security or other contract, agreement,
8-66 commitment, or undertaking of the district in payment of which the
8-67 district could have issued its public securities, or to fund or pay
8-68 for any reserve fund or issuance expenses related to the public
8-69 securities. The public securities [~~which~~] shall be deemed to be in

9-1 furtherance of a program authorized pursuant to Section 52-a,
9-2 Article III, Texas Constitution[~~, in the manner provided by~~
9-3 ~~Subchapter J, Chapter 375, Local Government Code~~]. Sections
9-4 375.207 and 375.208, Local Government Code, do not apply to public
9-5 securities [bonds] issued by the district under this Act.

9-6 (c) In addition to the sources of money described by
9-7 Subchapter J, Chapter 375, Local Government Code, the public
9-8 securities [bonds] of the district may be secured and made payable,
9-9 wholly or partly, by a pledge of any part of the net proceeds the
9-10 district receives from:

9-11 (1) a specified portion, but not more than one-half of
9-12 one percent, of the sales and use tax authorized by Section 11 of
9-13 this Act;

9-14 (2) the hotel occupancy tax authorized by Section 11A
9-15 of this Act;

9-16 (3) an ad valorem tax approved by the voters of the
9-17 district at an election called for that purpose;

9-18 (4) any revenues, receipts, fees, charges, income,
9-19 funds, or proceeds received or to be received by the district from
9-20 refunding public securities, contracts, agreements, or other
9-21 [lawful] sources, including a contract with a development zone to
9-22 facilitate an improvement project or project plan of the district
9-23 or the development zone; or

9-24 (5) ~~[any other revenues, income, or proceeds that in~~
9-25 ~~accordance with this Act or other law may be pledged or used for~~
9-26 ~~purposes described by Subdivision (4) of this subsection; or~~

9-27 ~~[(6)] any combination of revenues, taxes, or proceeds~~
9-28 ~~from one or more of the sources described by Subdivisions (1)-(4)~~
9-29 ~~[(1)-(5)] of this subsection.~~

9-30 (d) The board of directors or an officer or employee of the
9-31 district to whom the board delegates authority may sell a district
9-32 public security at a public or private sale in the form, at the
9-33 price, on the terms and conditions, at the interest rate or rates,
9-34 whether fixed, variable, floating, adjustable, or otherwise, as the
9-35 board determines appropriate. The net effective interest rate of
9-36 the public securities under this section may not exceed the maximum
9-37 rate allowed by law.

9-38 (e) The board may secure a district public security with a
9-39 security agreement, credit agreement, or both, with the security
9-40 interest or interests, other than a mortgage interest in real
9-41 property, and with the parity or priority of pledge and lien as the
9-42 board determines appropriate.

9-43 (f) In this section:

9-44 (1) "Public security" has the meaning assigned by
9-45 Section 1201.002, Government Code.

9-46 (2) "Credit agreement," "security agreement," and
9-47 "security interest" have the meanings assigned by Section 1208.001,
9-48 Government Code.

9-49 SECTION 11. (a) The legislature ratifies and confirms all
9-50 governmental acts and proceedings of The Woodlands Township and its
9-51 board and of The Woodlands Township Economic Development Zone and
9-52 its governing body before the effective date of this Act, in:

9-53 (1) calling, holding, conducting, and declaring the
9-54 results of the confirmation and tax election held in the district on
9-55 November 6, 2007;

9-56 (2) conditionally enlarging the boundaries and
9-57 increasing the number of eligible voters of the district for
9-58 conducting the election described by Subdivision (1) of this
9-59 subsection;

9-60 (3) changing the name of the district to The Woodlands
9-61 Township;

9-62 (4) describing the boundaries of the district for any
9-63 purpose, including the election described by Subdivision (1) of
9-64 this subsection;

9-65 (5) creating, establishing, organizing, and
9-66 describing the boundaries of The Woodlands Township Economic
9-67 Development Zone;

9-68 (6) dissolving, abolishing, and transferring the
9-69 funds, assets, liabilities, and obligations of all existing

10-1 economic development zones overlapped by The Woodlands Township
10-2 Economic Development Zone;

10-3 (7) imposing and collecting an incremental sales and
10-4 use tax by The Woodlands Township Economic Development Zone; and

10-5 (8) conditionally excluding territory from the
10-6 boundaries of The Woodlands Township Economic Development Zone and
10-7 reserving the right to repeal or rescind the exclusion.

10-8 (b) Subsection (a) of this section does not apply to a
10-9 matter that on the effective date of this Act:

10-10 (1) is involved in litigation, if the litigation
10-11 ultimately results in the matter being held invalid by a final court
10-12 judgment; or

10-13 (2) has been held invalid by a final court judgment.

10-14 SECTION 12. The provisions of this Act are severable. If
10-15 any word, phrase, clause, sentence, section, provision, or part of
10-16 this Act is held invalid or unconstitutional, it shall not affect
10-17 the validity of the remaining portions, and it is declared to be the
10-18 legislative intent that this Act would have been passed as to the
10-19 remaining portions regardless of the invalidity of any part.

10-20 SECTION 13. (a) The legislature finds that the powers,
10-21 authority, and functions of the district authorized by this Act are
10-22 essential and beneficial to the district and to the state as a whole
10-23 as a program for promoting, facilitating, and accomplishing the
10-24 public purposes of Section 52-a, Article III, Texas Constitution,
10-25 by:

10-26 (1) promoting, sustaining, and advancing employment
10-27 and economic diversification and development in the state;

10-28 (2) sustaining and stimulating business in the state;

10-29 (3) conserving and sustaining property values and
10-30 living conditions in the state;

10-31 (4) promoting traffic circulation and public safety in
10-32 the state;

10-33 (5) promoting the development of parks, recreational
10-34 facilities, and cultural education in the state; and

10-35 (6) serving other purposes beneficial to the state.

10-36 (b) The legal notice of the intention to introduce this Act,
10-37 setting forth the general substance of this Act, has been published
10-38 as provided by law, and the notice and a copy of this Act have been
10-39 furnished to all persons, agencies, officials, or entities to which
10-40 they are required to be furnished under Section 59, Article XVI,
10-41 Texas Constitution, and Chapter 313, Government Code.

10-42 (c) The governor, one of the required recipients, has
10-43 submitted the notice and Act to the Texas Commission on
10-44 Environmental Quality.

10-45 (d) The Texas Commission on Environmental Quality has filed
10-46 its recommendations relating to this Act with the governor,
10-47 lieutenant governor, and speaker of the house of representatives
10-48 within the required time.

10-49 (e) All requirements of the constitution and laws of this
10-50 state and the rules and procedures of the legislature with respect
10-51 to the notice, introduction, and passage of this Act have been
10-52 fulfilled and accomplished.

10-53 SECTION 14. This Act takes effect immediately if it
10-54 receives a vote of two-thirds of all the members elected to each
10-55 house, as provided by Section 39, Article III, Texas Constitution.
10-56 If this Act does not receive the vote necessary for immediate
10-57 effect, this Act takes effect September 1, 2009.

10-58 * * * * *