

By: Patrick, Dan

S.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3891 to read as follows:

CHAPTER 3891. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 17

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3891.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Harris County Improvement District No. 17.

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

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

1 program to accomplish the public purposes set out in Section 52-a,
2 Article III, Texas Constitution.

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

8 (c) This chapter and the creation of the district may not be
9 interpreted to relieve Harris County from providing the level of
10 services provided, as of the effective date of the Act enacting this
11 chapter, to the area in the district. The district is created to
12 supplement and not to supplant the county services provided in the
13 area in the district.

14 Sec. 3891.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
15 The district is created to serve a public use and benefit.

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

21 (c) The creation of the district is in the public interest
22 and is essential to:

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

25 (2) eliminate unemployment and underemployment; and

26 (3) develop or expand transportation and commerce.

27 (d) The district will:

1 (1) promote the health, safety, and general welfare of
2 residents, employers, employees, potential employees, visitors,
3 and consumers in the district, and of the public;

4 (2) provide needed funding for the district to
5 preserve, maintain, and enhance the economic health and vitality of
6 the district territory as a community and business center;

7 (3) promote the health, safety, welfare, and enjoyment
8 of the public by providing pedestrian ways and by landscaping and
9 developing certain areas in the district, which are necessary for
10 the restoration, preservation, and enhancement of scenic beauty;
11 and

12 (4) provide for water, wastewater, drainage, road,
13 and recreational facilities for the district.

14 (e) Pedestrian ways along or across a street, whether at
15 grade or above or below the surface, and street lighting, street
16 landscaping, parking, and street art objects are parts of and
17 necessary components of a street and are considered to be a street
18 or road improvement.

19 (f) The district will not act as the agent or
20 instrumentality of any private interest even though the district
21 will benefit many private interests as well as the public.

22 Sec. 3891.005. INITIAL DISTRICT TERRITORY. (a) The
23 district is initially composed of the territory described by
24 Section 2 of the Act enacting this chapter.

25 (b) The boundaries and field notes contained in Section 2 of
26 the Act enacting this chapter form a closure. A mistake in the
27 field notes or in copying the field notes in the legislative process

does not affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Sec. 3891.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

All or any part of the area of the district is eligible to be
included in:

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

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

(3) an enterprise zone created under Chapter 2303,
Government Code.

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

[Sections 3891.008-3891.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

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

Sec. 3891.052. APPOINTMENT OF DIRECTORS. (a) The board
shall recommend to the Harris County Commissioners Court persons to

serve on the succeeding board.

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

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

(d) Board members may serve successive terms.

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

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

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

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Joe Bullard</u>
<u>2</u>	<u>Hollis Bullard</u>
<u>3</u>	<u>Tim Culp</u>
<u>4</u>	<u>Joe Fogarty</u>
<u>5</u>	<u>Art DePue</u>

(b) Of the initial directors, the terms of three directors expire June 1, 2011, and the terms of two directors expire June 1, 2013. The initial directors shall draw lots to determine which two

directors' terms expire June 1, 2013.

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

(d) This section expires September 1, 2014.

[Sections 3891.055-3891.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

5 (b) The district has all of the economic development
6 authority that:

7 (1) Chapter 380, Local Government Code, grants to a
8 municipality with a population of more than 100,000; and

9 (2) Chapter 1509, Government Code, grants to a
10 municipality.

11 Sec. 3891.108. NO EMINENT DOMAIN. The district may not
12 exercise the power of eminent domain.

13 [Sections 3891.109-3891.150 reserved for expansion]

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 3891.151. OPERATION AND MAINTENANCE TAX. (a) If
16 authorized at an election held in accordance with Section 3891.158,
17 the district may impose an annual operation and maintenance tax on
18 taxable property in the district in accordance with Section 49.107,
19 Water Code, for any district purpose, including to:

20 (1) maintain and operate the district;

21 (2) construct or acquire improvements; or

22 (3) provide a service.

23 (b) The board shall determine the tax rate. The rate may not
24 exceed the rate approved at the election.

25 Sec. 3891.152. CONTRACT TAXES. (a) In accordance with
26 Section 49.108, Water Code, the district may impose a tax other than
27 an operation and maintenance tax and use the revenue derived from

1 the tax to make payments under a contract after the provisions of
2 the contract have been approved by a majority of the district voters
3 voting at an election held for that purpose.

4 (b) A contract approved by the district voters may contain a
5 provision stating that the contract may be modified or amended by
6 the board without further voter approval.

7 Sec. 3891.153. AUTHORITY TO ISSUE BONDS AND OTHER
8 OBLIGATIONS. The district may issue bonds, notes, or other
9 obligations payable wholly or partly from ad valorem taxes, sales
10 and use taxes, assessments, impact fees, revenue, contract
11 payments, grants, or other district money, or any combination of
12 those sources of money, to pay for any authorized district purpose.

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

16 (b) A tax imposed under this section may not exceed the
17 maximum rate under Section 351.003(a), Tax Code.

18 Sec. 3891.155. SALES AND USE TAX. (a) The district may
19 impose a sales and use tax if authorized by a majority of the voters
20 of the district voting at an election held for that purpose.
21 Revenue from the tax may be used for any district purpose for which
22 ad valorem tax revenue is used.

23 (b) The district may not impose a sales and use tax if as a
24 result of the imposition of the tax the combined rate of all sales
25 and use taxes imposed by the district and other political
26 subdivisions of this state having territory in the district would
27 exceed the amount allowable by law at any location in the district.

1 (c) If the voters of the district approve the adoption of
2 the tax at an election held on the same election date on which
3 another political subdivision adopts a sales and use tax or
4 approves an increase in the rate of its sales and use tax and as a
5 result the combined rate of all sales and use taxes imposed by the
6 district and other political subdivisions of this state having
7 territory in the district would exceed the amount allowable by law
8 at any location in the district, the election to adopt a sales and
9 use tax under this chapter has no effect.

10 (d) Except as otherwise provided by this chapter, Chapter
11 321, Tax Code, applies to the imposition, computation,
12 administration, enforcement, and collection of the sales and use
13 tax imposed by this section.

14 Sec. 3891.156. TAXES FOR BONDS. At the time the district
15 issues bonds payable wholly or partly from ad valorem taxes, the
16 board shall provide for the annual imposition of an ad valorem tax,
17 without limit as to rate or amount, while all or part of the bonds
18 are outstanding as required and in the manner provided by Sections
19 54.601 and 54.602, Water Code.

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

24 Sec. 3891.158. ELECTIONS REGARDING TAXES AND BONDS. (a)
25 The district may issue, without an election, bonds, notes, and
26 other obligations secured by revenue or contract payments from any
27 source other than ad valorem taxes.

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

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

9 SECTION 2. The Harris County Improvement District No. 17
10 initially includes all the territory contained in the following
11 area:

12 BEING 606.1394 acres of land out of a 644.0794 acre tract, that same
13 tract described in a deed filed for record July 06, 1933 in Volume
14 932, Page 98, Deed Records, Harris County, Texas, from John D. Reid,
15 et al, to Humble Oil and Refining Company, all of the Chauncy
16 Goodrich Survey Number 776, Patent 466, Volume 1, Abstract 305,
17 containing 640 acres more or less in Harris County, Texas; said
18 606.1394 acres more fully described as follows: BEGINNING at a 12
19 inch diameter wood fence post found in the West line of the Sam
20 Lewis Survey, Abstract 1704, the Southeast corner of the J. M.
21 Hooper Survey, Abstract 375 and the Northeast corner of the Chauncy
22 Goodrich Survey; THENCE South 00° 19' 00" East, with the West line of
23 the Lewis Survey, a distance of 1005.00 feet to a point for the most
24 Easterly Northeast corner of that certain 9.26 acre tract, conveyed
25 to Humble Oil and Refining Company from Magnolia Petroleum Company,
26 by deed filed for record in Volume 1063, Page 557, Deed Records,
27 Harris County, Texas; THENCE North 29° 36' 00" West, a distance of

S.B. No. 2542

206.4 feet to a point for corner in the North line of said 9.26 acres
;THENCE South 89° 41' 00" West, a distance of 449.00 feet to a point
in the East line of that certain 28.68 acre tract conveyed to Humble
Oil and Refining Company from Socony Mobil Oil Company,
Incorporation, by deed filed for record in Volume 6028, Page 80 or
Harris County Clerk's File Number C139334, Harris County Deed
Records, said point being the Northwest corner of said 9.26 acre
tract; THENCE with the perimeter lines of said 28.68 acres the
following calls:

- (1) North 00° 19' 00" West, a distance of 586.4 feet to corner;
- (2) South 89° 36' 00" West, a distance of 597.9 feet to corner;
- (3) South 00° 31' 00" East, a distance of 434.1 feet to corner;
- (4) South 88° 43' 00" West, a distance of 418.6 feet to corner;
- (5) North 01° 00' 00" West, a distance of 211.2 feet to corner;
- (6) South 89° 00' 00" West, a distance of 394.5 feet to corner;
- (7) South 00° 54' 00" East, a distance of 500.00 feet to corner;
- (8) South 89° 13' 00" East, a distance of 508.4 feet to corner;
- (9) South 00° 54' 00" East, a distance of 411.6 feet to corner;
- (10) North 89° 38' 00" East, a distance of 289.7 feet to corner;
- (11) South 00° 36' 00" East, a distance of 180.8 feet to corner;
- (12) North 89° 38' 00" East, passing at 603.6 feet the Southeast
corner of said 28.68 acres, the Southwest corner of said 9.26 acres,
continuing with the South line of said 9.26 acres, in all, a
distance of 1153.6 feet to a point for the Southeast corner of said
9.26 acres in the West line of the Lewis Survey, the East line of the
Goodrich Survey and said 644.0794 acre tract: THENCE South 00° 19'
00" East, with the West line of the Lewis Survey, a distance of

S.B. No. 2542

1 3706.59 feet to a 1 inch iron pipe found in the North line of the
2 August Senechal Survey, Abstract 722 and Lot 53 of Boudreaux
3 Estates, unrecorded subdivision; THENCE South 89° 19' 23" West, with
4 the North line of the Senechal Survey, Lots 50, 51, 52 and 53 of said
5 Boudreaux Estates, a 16.349 acre tract conveyed to John E. Kolb,
6 Trustee of Harris County, recorded under Harris County Clerk's File
7 Number F196319, passing it's Northwest corner and the common North
8 corner of said Senechal Survey and I & G. N. R. R. Company Survey,
9 Abstract 952 at 2385 feet more or less, continuing in the North line
10 of said I & G. N. R. R. Company Survey and a 6.470 acre tract
11 recorded under Harris County Clerk's File Number R716867 and along
12 a wire fence, in all, a distance of 5279.26 feet to a 3/4 inch iron
13 pipe found at the base of a fence corner post, said pipe marking the
14 Southeast corner of the John M. Hooper Survey, Abstract 372, the
15 Southeast corner of the William Kobs, 323 acre tract, recorded in
16 Volume 16, Page 188, Deed Records, Harris County, Texas and the
17 Southwest corner of the Chauncy Goodrich Survey and the tract
18 herein described; THENCE North 00° 13' 42" West, with the East line
19 of the Kobs Tract, the East line of the Hooper Survey, the West line
20 of the Goodrich Survey and along a wire fence, a distance of 5355.75
21 feet to a fence corner post found in the South line of the Hooper
22 Survey, Abstract 375, marking the Northwest corner of the tract
23 herein described from which a 5/8 inch iron rod found bears North
24 86° 01' 14" West, 4.65 feet; THENCE South 89° 52' 17" East, with the
25 South line of the Hooper Survey, Abstract 375, the North line of the
26 Goodrich Survey, the tract herein described and along a wire fence,
27 a distance of 5271.05 feet to the PLACE OF BEGINNING containing

S.B. No. 2542

1 606.1394 acres. Together with the following: (1) a 60 foot wide road
2 easement extending from the Southwest right-of-way of State Highway
3 249 West to the common line between the Sam Lewis Survey, Abstract
4 1704, and the C. N. Pillot Survey, Abstract 632, recorded under
5 Harris County Clerk's File Number S283266, Official Public Records
6 of Real Property, Harris County, Texas; (2) a 100 foot wide road
7 easement extending from the common line between the Lewis Survey
8 and the Pillot Survey, West, to the East line of the Chauncy
9 Goodrich Survey, Abstract 305, recorded in Volume 934, Page 27,
10 Deed Records, Harris County, Texas; (3) a 100 foot wide road
11 easement, extending West from the Goodrich Survey East line and
12 being more fully described as follows: BEGINNING at a 1/2 inch iron
13 rod found for the Northwest corner of that certain 100 foot wide
14 road easement recorded in Volume 934, Page 27, Deed Records, Harris
15 County, Texas, in the West line of the Sam Lewis Survey, Abstract
16 1704, the East line of the Chauncy Goodrich Survey, Abstract 305;
17 THENCE South 00° 19' 00" East, with the East line of the Goodrich
18 Survey, a distance of 100.00 feet; THENCE South 89° 18' 37" West, a
19 distance of 1118.84 feet to a 1/2 inch iron rod found for corner;
20 THENCE North 00° 54' 00" West, a distance of 100.00 feet to a 1/2
21 inch iron rod found in the South line of that certain 28.68 acre
22 tract recorded in Volume 6028, Page 80, Deed Records, Harris
23 County, Texas, the Northwest corner of the tract herein described;
24 THENCE North 89° 18' 37" East, with the South line of said 28.68 acre
25 tract and a 9.26 acre Tomball Gas Plant Tract recorded in Volume
26 1063, Page 557, Deed Records, Harris County, Texas, a distance of
27 1119.86 feet to the PLACE OF BEGINNING, containing 2.56 acres more

1 or less.

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

9 (b) The governor, one of the required recipients, has
10 submitted the notice and Act to the Texas Commission on
11 Environmental Quality.

12 (c) The Texas Commission on Environmental Quality has filed
13 its recommendations relating to this Act with the governor,
14 lieutenant governor, and speaker of the house of representatives
15 within the required time.

16 (d) The general law relating to consent by political
17 subdivisions to the creation of districts with conservation,
18 reclamation, and road powers and the inclusion of land in those
19 districts has been complied with.

20 (e) All requirements of the constitution and laws of this
21 state and the rules and procedures of the legislature with respect
22 to the notice, introduction, and passage of this Act have been
23 fulfilled and accomplished.

24 SECTION 4. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

S.B. No. 2542

1 Act takes effect September 1, 2009.