

By: Wentworth

S.B. No. 2546

A BILL TO BE ENTITLED

AN ACT

relating to the creation of Austin Desired Development Zone District No. 2; providing authority to levy an assessment, impose taxes, and issue bonds; granting a limited power of eminent domain.

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 3900 to read as follows:

CHAPTER 3900. AUSTIN DESIRED DEVELOPMENT ZONE DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3900.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Austin.

(3) "County" means Travis County.

(4) "Director" means a board member.

(5) "District" means the Austin Desired Development Zone District No. 2.

Sec. 3900.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3900.003. 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, the county, and other political subdivisions to contract with the

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

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

9 Sec. 3900.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
10 The district is created to serve a public use and benefit.

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

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

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

20 (2) eliminate unemployment and underemployment; and

21 (3) develop or expand transportation and commerce.

22 (d) The district will:

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

26 (2) provide needed funding for the district to
27 preserve, maintain, and enhance the economic health and vitality of

1 the district territory as a community and business center;

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

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

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

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

17 Sec. 3900.005. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act creating this chapter.

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

24 (1) organization, existence, or validity;

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

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

2 (4) legality or operation.

3 Sec. 3900.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

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

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

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

12 Sec. 3900.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
13 DISTRICTS LAW. Except as otherwise provided by this chapter,
14 Chapter 375, Local Government Code, applies to the district.

15 Sec. 3900.008. LIBERAL CONSTRUCTION OF CHAPTER. This
16 chapter shall be liberally construed in conformity with the
17 findings and purposes stated in this chapter.

18 Sec. 3900.009. CONFIRMATION AND DIRECTORS' ELECTION
19 REQUIRED. The temporary directors shall hold an election to
20 confirm the creation of the district and to elect four permanent
21 directors as provided by Section 49.102, Water Code.

22 Sec. 3900.010. CONSENT OF MUNICIPALITY REQUIRED. (a) The
23 temporary directors may not hold an election under Section 3900.009
24 until the city and each other municipality in whose corporate
25 limits or extraterritorial jurisdiction the district is located has
26 consented by ordinance or resolution to the creation of the
27 district and to the inclusion of land in the district.

1 (b) The city and each other municipality may condition its
2 consent to the creation of the district, the inclusion of land in
3 the district, and the exercise or limitation of powers granted to
4 the district under this chapter on a requirement that the
5 municipality and the owner of land included in the district
6 negotiate and enter into a written agreement under this chapter and
7 Sections 43.0563 and 212.172, Local Government Code.

8 (c) An agreement described by Subsection (b) between a
9 municipality and a landowner entered into before the effective date
10 of the Act creating this chapter and that complies with this section
11 is validated on the effective date of the Act creating this chapter.

12 (d) Section 54.016, Water Code, does not apply to the
13 district or to an agreement under this section. An agreement under
14 this section constitutes a municipality's consent to the creation
15 of the district under Section 42.042, Local Government Code.

16 [Sections 3900.011-3900.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 3900.051. GOVERNING BODY; TERMS. (a) The district is
19 governed by a board of seven directors. Four of the directors are
20 elected. Three of the directors are appointed under Section
21 3900.053.

22 (b) Except as provided by Section 3900.052, directors serve
23 staggered four-year terms, with two elected directors' terms and
24 one or two appointed directors' terms expiring on June 1 of each
25 even-numbered year. The term of office for each director first
26 appointed under Section 3900.053 shall begin on the date the four
27 permanent directors are elected under Section 3900.009. The

1 initial directors shall determine their terms as provided by
2 Section 49.102(h), Water Code.

3 Sec. 3900.052. TEMPORARY DIRECTORS. (a) On or after the
4 effective date of the Act creating this chapter, the owner or owners
5 of a majority of the assessed value of the real property in the
6 district, as determined by the most recent certified tax appraisal
7 roll for the county, may submit a petition to the Texas Commission
8 on Environmental Quality requesting that the commission appoint as
9 temporary directors the four persons named in the petition. The
10 commission shall appoint as temporary directors the four persons
11 named in the petition.

12 (b) Temporary directors serve until the earlier of:

13 (1) the date four permanent directors are elected
14 under Section 3900.009; or

15 (2) the fourth anniversary of the effective date of
16 the Act creating this chapter.

17 (c) If permanent directors have not been elected under
18 Section 3900.009 and the terms of the temporary directors have
19 expired, successor temporary directors shall be appointed or
20 reappointed as provided by Subsection (d) to serve terms that
21 expire on the earlier of:

22 (1) the date permanent directors are elected under
23 Section 3900.009; or

24 (2) the fourth anniversary of the date of the
25 appointment or reappointment.

26 (d) If Subsection (c) applies, the owner or owners of a
27 majority of the assessed value of the real property in the district,

1 according to the most recent certified tax appraisal roll for the
2 county, may submit a petition to the Texas Commission on
3 Environmental Quality requesting that the commission appoint as
4 successor temporary directors the four persons named in the
5 petition. The commission shall appoint as successor temporary
6 directors the four persons named in the petition.

7 Sec. 3900.053. APPOINTMENT OF DIRECTORS. (a) The city
8 council of the city shall appoint one person as a director. A
9 person is appointed if a majority of the members of the city council
10 vote to appoint that person. If a person is not appointed to the
11 board under Subsection (c), the members of the city council may vote
12 to appoint a second person as a director.

13 (b) The county commissioners court shall appoint one person
14 as a director. A person is appointed if a majority of the members of
15 the commissioners court vote to appoint that person.

16 (c) The Texas Commission on Environmental Quality shall
17 appoint as director one person nominated by the board. The board
18 shall request a name of a nominee for the director position from
19 each person who owns at least 25 percent of the surface area of land
20 in the district, based on the most recent certified tax appraisal
21 roll for the county. The board shall submit to the Texas Commission
22 on Environmental Quality the nominee whose name was submitted by
23 the person who owns the largest total surface area of land in the
24 district. If the board has not received any names of potential
25 nominees before the 31st day after the date the board requests that
26 names be submitted, or if no person owns at least 25 percent of the
27 surface area of land in the district, the board shall notify the

1 city that it may appoint a second director under Subsection (a), and
2 no appointment shall be made under this subsection.

3 Sec. 3900.054. QUALIFICATIONS OF DIRECTOR. (a) To be
4 qualified to be elected and to serve as an elected director, or to
5 be qualified to be appointed and to serve as a director appointed
6 under Section 3900.053(c), a person must be at least 18 years old
7 and:

8 (1) a resident of the district; or

9 (2) an owner of property in the district.

10 (b) To be qualified to be appointed and to serve as a
11 director appointed under Section 3900.052 or 3900.053(a) or (b), a
12 person must be at least 18 years old.

13 (c) A person who qualifies to serve as a director under this
14 section is subject to Section 375.072, Local Government Code.

15 Sec. 3900.055. DIRECTOR VACANCY. A vacancy in the office of
16 an elected director shall be filled for the unexpired term by the
17 majority vote of the remaining members of the board. A vacancy in
18 the office of a director appointed under Section 3900.053 shall be
19 filled for the unexpired term in the same manner as the original
20 appointment under that section.

21 Sec. 3900.056. QUORUM; VOTING REQUIREMENT. (a) A
22 concurrence of a majority of the directors is required for any
23 official action of the district unless a lesser or greater number of
24 votes is provided by other law. The written consent of at least
25 two-thirds of the directors is required to authorize the imposition
26 of assessments, the imposition of taxes, the imposition of impact
27 fees, or the issuance of bonds.

1 (b) For purposes of determining the requirements for a
2 quorum of the board, the following are not counted:

3 (1) a board position vacant for any reason, including
4 death, resignation, or disqualification; or

5 (2) a director who is abstaining from participation in
6 a vote because of a conflict of interest.

7 Sec. 3900.057. COMPENSATION. A director is entitled to
8 receive fees of office and reimbursement for actual expenses as
9 provided by Section 49.060, Water Code.

10 [Sections 3900.058-3900.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 3900.101. GENERAL POWERS AND DUTIES. The district has
13 the powers and duties:

14 (1) provided by the general laws relating to
15 conservation and reclamation districts created under Section 59,
16 Article XVI, Texas Constitution, including Chapters 49 and 54,
17 Water Code;

18 (2) provided by Section 52, Article III, Texas
19 Constitution, including the power to design, acquire, construct,
20 finance, issue bonds for, improve, operate, maintain, and convey to
21 this state, a county, or a municipality for operation and
22 maintenance:

23 (A) macadamized, graveled, or paved roads; or

24 (B) improvements, including storm drainage, in
25 aid of those roads;

26 (3) that Subchapter A, Chapter 372, Local Government
27 Code, provides to a municipality or a county;

1 (4) that Chapter 375, Local Government Code, provides
2 to a municipality;

3 (5) that Chapter 380, Local Government Code, provides
4 to a municipality;

5 (6) that Chapter 394, Local Government Code, provides
6 to a housing finance corporation created and operating under that
7 chapter;

8 (7) that Subchapter C, Chapter 552, Local Government
9 Code, provides to a municipality; and

10 (8) that Chapters 501, 502, and 505, Local Government
11 Code, provide to a municipality or to a Type A or B corporation
12 created by a municipality.

13 Sec. 3900.102. AGREEMENTS; GRANTS. (a) The district may
14 make an agreement with or accept a gift, grant, or loan from any
15 person.

16 (b) A service agreement made by the district shall be
17 terminable at will and without penalty on 30 days' notice of
18 termination, unless the district secures the written consent of the
19 city to modify or exclude those termination provisions, except for
20 service agreements with the following persons or entities:

21 (1) a developer of property in the district, as
22 defined by Section 49.052(d), Water Code;

23 (2) a government agency, entity, or political
24 subdivision;

25 (3) a retail public utility or electric cooperative,
26 concerning water, wastewater, gas, electricity, telecommunication,
27 drainage, or other utility services and facilities; or

1 (4) a provider of services relating to solid waste
2 collection, transfer, processing, reuse, resale, disposal, and
3 management.

4 (c) The implementation of a project is a governmental
5 function or service for the purposes of Chapter 791, Government
6 Code.

7 (d) The board may enter into a contract with the board of
8 directors of a tax increment reinvestment zone created under
9 Chapter 311, Tax Code, and the governing body of the municipality or
10 county that created the zone to manage the zone or implement the
11 project plan and reinvestment zone financing plan.

12 Sec. 3900.103. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT
13 AND FIREFIGHTING SERVICES. (a) To protect the public interest, the
14 district may contract with a qualified party, including the county
15 or the city, for the provision of law enforcement services in the
16 district for a fee.

17 (b) The district may provide firefighting services under
18 Section 49.351, Water Code, and has the powers and duties of a
19 municipality under Section 775.022, Health and Safety Code.

20 Sec. 3900.104. ECONOMIC DEVELOPMENT PROGRAMS. The district
21 may establish and provide for the administration of one or more
22 programs to promote state or local economic development and to
23 stimulate business and commercial activity in the district,
24 including programs to:

25 (1) make loans and grants of public money; and

26 (2) provide district personnel and services.

27 Sec. 3900.105. STRATEGIC PARTNERSHIP AGREEMENT. The

1 district may negotiate and enter into a written strategic
2 partnership with the city under Section 43.0751, Local Government
3 Code. A power granted to the district under this chapter may be
4 restricted or prohibited by the terms and conditions of an
5 agreement between the city and the district under this section.

6 Sec. 3900.106. LIMITED EMINENT DOMAIN. (a) The district
7 may exercise the power of eminent domain under Section 49.222,
8 Water Code.

9 (b) The district may not exercise the power of eminent
10 domain outside the district boundaries to acquire:

11 (1) a site for a water treatment plant, water storage
12 facility, wastewater treatment plant, or wastewater disposal
13 plant; or

14 (2) a recreational facility as defined by Section
15 49.462, Water Code.

16 Sec. 3900.107. ANNEXATION OR EXCLUSION OF LAND BY DISTRICT.

17 (a) The district may annex land as provided by Subchapter J,
18 Chapter 49, Water Code.

19 (b) The district may exclude land as provided by Subchapter
20 J, Chapter 49, Water Code. Section 375.044(b), Local Government
21 Code, does not apply to the district.

22 Sec. 3900.108. SUITS. The district may not be a voluntary
23 party to any suit against the city by a district resident or a
24 person who owns property in the district unless the district has
25 standing to bring the suit.

26 [Sections 3900.109-3900.150 reserved for expansion]

1 SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

2 Sec. 3900.151. PUBLIC TRANSIT SYSTEM. (a) The district may
3 acquire, lease as lessor or lessee, construct, develop, own,
4 operate, and maintain a public transit system to serve the area
5 within the boundaries of the district.

6 (b) The district may contract with a regional transit
7 authority for the provision of a public transit system and public
8 transit services.

9 Sec. 3900.152. PARKING FACILITIES AUTHORIZED; OPERATION BY
10 PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease
11 as lessor or lessee, construct, develop, own, operate, and maintain
12 parking facilities or a system of parking facilities, including:

13 (1) lots, garages, parking terminals, or other
14 structures or accommodations for parking motor vehicles off the
15 streets; and

16 (2) equipment, entrances, exits, fencing, and other
17 accessories necessary for safety and convenience in parking
18 vehicles.

19 (b) A parking facility of the district may be leased to or
20 operated for the district by an entity other than the district.

21 (c) The district's parking facilities are a program
22 authorized by the legislature under Section 52-a, Article III,
23 Texas Constitution.

24 (d) The district's parking facilities serve the public
25 purposes of the district and are owned, used, and held for a public
26 purpose even if leased or operated by a private entity for a term of
27 years.

1 (e) The district's parking facilities and any lease to a
2 private entity are exempt from the payment of ad valorem taxes and
3 state and local sales and use taxes.

4 Sec. 3900.153. RULES. The district may adopt rules
5 covering its public transit system or its parking facilities.

6 Sec. 3900.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR
7 PARKING FACILITIES. (a) The district may use any of its resources,
8 including revenue, assessments, taxes, or grant or contract
9 proceeds, to pay the cost of acquiring or operating a public transit
10 system or parking facilities.

11 (b) The district may:

12 (1) set, charge, impose, and collect fees, charges, or
13 tolls for the use of the public transit system or the parking
14 facilities; and

15 (2) issue bonds or notes to finance the cost of these
16 facilities.

17 [Sections 3900.155-3900.200 reserved for expansion]

18 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19 Sec. 3900.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The
20 board by resolution shall establish the number of directors'
21 signatures and the procedure required for a disbursement or
22 transfer of the district's money.

23 Sec. 3900.202. MONEY USED FOR IMPROVEMENTS OR SERVICES.
24 The district may acquire, construct, finance, operate, or maintain
25 any improvement or service authorized under this chapter or Chapter
26 375, Local Government Code, using any money available to the
27 district.

1 Sec. 3900.203. PETITION REQUIRED FOR FINANCING SERVICES AND
2 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
3 service or improvement project with assessments under this chapter
4 unless a written petition requesting that service or improvement
5 has been filed with the board.

6 (b) A petition filed under Subsection (a) must be signed by
7 the owners of a majority of the assessed value of real property in
8 the district subject to assessment according to the most recent
9 certified tax appraisal roll for the county.

10 Sec. 3900.204. METHOD OF NOTICE FOR HEARING. The district
11 may mail the notice required by Section 375.115(c), Local
12 Government Code, by certified or first class United States mail.
13 The board shall determine the method of notice.

14 Sec. 3900.205. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
15 The board by resolution may impose and collect an assessment for any
16 purpose authorized by this chapter in all or any part of the
17 district.

18 (b) An assessment, a reassessment, or an assessment
19 resulting from an addition to or correction of the assessment roll
20 by the district, penalties and interest on an assessment or
21 reassessment, an expense of collection, and reasonable attorney's
22 fees incurred by the district:

23 (1) are a first and prior lien against the property
24 assessed;

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

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

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

8 (d) The board may make a correction to or deletion from the
9 assessment roll that does not increase the amount of assessment of
10 any parcel of land without providing notice and holding a hearing in
11 the manner required for additional assessments.

12 Sec. 3900.206. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
13 ASSESSMENTS. The district may not impose an impact fee or
14 assessment on the property, including the equipment,
15 rights-of-way, facilities, or improvements, of:

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

18 (2) a gas utility as defined by Section 101.003 or
19 121.001, Utilities Code;

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

22 (4) a person who provides to the public cable
23 television or advanced telecommunications services.

24 Sec. 3900.207. RESIDENTIAL PROPERTY. Section 375.161,
25 Local Government Code, does not apply to the district.

26 Sec. 3900.208. OPERATION AND MAINTENANCE TAX. (a) If
27 authorized at an election held in accordance with Section 3900.213,

1 the district may impose an operation and maintenance tax on taxable
2 property in the district in accordance with Section 49.107, Water
3 Code, for any district purpose, including to:

4 (1) maintain and operate the district;

5 (2) construct or acquire improvements; or

6 (3) provide a service.

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

9 Sec. 3900.209. CONTRACT TAXES. (a) In accordance with
10 Section 49.108, Water Code, the district may impose a tax other than
11 an operation and maintenance tax and use the revenue derived from
12 the tax to make payments under a contract after the provisions of
13 the contract have been approved by a majority of the district voters
14 voting at an election held for that purpose.

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

18 Sec. 3900.210. AUTHORITY TO ISSUE BONDS. (a) The district
19 by competitive bid may issue bonds, notes, or other obligations
20 payable wholly or partly from ad valorem taxes, assessments, impact
21 fees, revenue, grants, or other money of the district, or any
22 combination of those sources of money, to pay for any authorized
23 district purpose.

24 (b) The limitation on the outstanding principal amount of
25 bonds, notes, and other obligations provided by Section 49.4645,
26 Water Code, does not apply to the district.

27 Sec. 3900.211. CITY APPROVAL OF DISTRICT BONDS. (a) Not

1 later than the 30th day before the first publication of notice of
2 the sale of a district bond, the district shall provide to the city,
3 as applicable:

4 (1) a copy of the district's application to the Texas
5 Commission on Environmental Quality for approval of the bond sale;

6 (2) a copy of the staff memorandum from the Texas
7 Commission on Environmental Quality approving the projects and the
8 bonds;

9 (3) the proposed bond resolution;

10 (4) the preliminary official statement for the bond
11 sale;

12 (5) the bid form; and

13 (6) the notice of sale.

14 (b) The city may refuse to approve a bond sale only if the
15 city determines that issuance of the bonds would cause the district
16 to be substantially out of compliance with a material provision of a
17 written agreement between the district and the city under Sections
18 3900.010 and 3900.105, or any other written agreement with the city
19 pertaining to the district's creation or operation.

20 (c) The city shall notify the district of its refusal to
21 approve a bond sale under Subsection (b) not later than the 15th day
22 after the city receives the information provided under Subsection
23 (a), or the bond sale shall be considered to be approved by the
24 city.

25 (d) The district may not issue or sell a bond that the city
26 has timely refused to approve under this section.

27 Sec. 3900.212. TAXES FOR BONDS. At the time the district

1 issues bonds or other obligations payable wholly or partly from ad
2 valorem taxes, the board shall provide for the annual imposition of
3 a continuing direct ad valorem tax, without limit as to rate or
4 amount, while all or part of the bonds are outstanding as required
5 and in the manner provided by Sections 54.601 and 54.602, Water
6 Code.

7 Sec. 3900.213. ELECTIONS REGARDING TAXES AND BONDS. (a)
8 The district may issue, without an election, bonds, notes, and
9 other obligations secured by:

10 (1) revenue other than ad valorem taxes; or

11 (2) contract payments described by Section 3900.209.

12 (b) The district must hold an election in the manner
13 provided by Subchapter L, Chapter 375, Local Government Code, to
14 obtain voter approval before the district may impose an ad valorem
15 tax or sales and use tax or issue bonds payable from ad valorem
16 taxes.

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

19 (d) All or any part of any facilities or improvements that
20 may be acquired by a district by the issuance of district bonds may
21 be included in one single proposition to be voted on at the election
22 or the bonds may be submitted in several propositions.

23 Sec. 3900.214. CITY NOT REQUIRED TO PAY DISTRICT
24 OBLIGATIONS. Except as provided by Section 375.263, Local
25 Government Code, the city is not required to pay a bond, note, or
26 other obligation of the district.

27 Sec. 3900.215. COMPETITIVE BIDDING. Subchapter I, Chapter

1 49, Water Code, applies to the district. Subchapter K, Chapter 375,
2 Local Government Code, does not apply to the district if the
3 district complies with the requirements of Section 375.222, Local
4 Government Code, as that section existed on January 1, 2009.

5 Sec. 3900.216. TAX AND ASSESSMENT ABATEMENTS. The district
6 may grant in the manner authorized by Chapter 312, Tax Code, an
7 abatement for a tax or assessment owed to the district.

8 Sec. 3900.217. TAX INCREMENT FINANCING POWERS. (a) The
9 district may designate all or any part of the district as a tax
10 increment reinvestment zone, and the district may use tax increment
11 financing under Chapter 311, Tax Code, in the manner provided by
12 that chapter for a municipality, except as modified by this
13 section.

14 (b) The district has all powers provided under Chapter 311,
15 Tax Code.

16 (c) The district and an overlapping taxing unit may enter
17 into an interlocal agreement for the payment of all or a portion of
18 the tax increment of the unit to the district.

19 (d) For the purpose of tax increment financing under this
20 section, the board functions as the board of directors of the
21 reinvestment zone. Section 311.009, Tax Code, does not apply to the
22 district.

23 [Sections 3900.218-3900.300 reserved for expansion]

24 SUBCHAPTER F. SALES AND USE TAX

25 Sec. 3900.301. MEANINGS OF WORDS AND PHRASES. Words and
26 phrases used in this subchapter that are defined by Chapters 151 and
27 321, Tax Code, have the meanings assigned by Chapters 151 and 321,

1 Tax Code.

2 Sec. 3900.302. APPLICABILITY OF CERTAIN TAX CODE
3 PROVISIONS. (a) Except as otherwise provided by this subchapter,
4 Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code,
5 apply to taxes imposed under this subchapter and to the
6 administration and enforcement of those taxes in the same manner
7 that those laws apply to state taxes.

8 (b) Chapter 321, Tax Code, relating to municipal sales and
9 use taxes applies to the application, collection, charge, and
10 administration of a sales and use tax imposed under this subchapter
11 to the extent consistent with this chapter, as if references in
12 Chapter 321, Tax Code, to a municipality referred to the district
13 and references to a governing body referred to the board.

14 (c) Sections 321.106, 321.401, 321.402, 321.403, 321.404,
15 321.406, 321.409, 321.506, 321.507, and 321.508, Tax Code, do not
16 apply to a tax imposed under this subchapter.

17 Sec. 3900.303. AUTHORIZATION; ELECTION. (a) The district
18 may adopt a sales and use tax to serve the purposes of the district
19 after an election in which a majority of the voters of the district
20 voting in the election authorize the adoption of the tax.

21 (b) The board by order may call an election to authorize a
22 sales and use tax. The election may be held with any other district
23 election.

24 (c) The district shall provide notice of the election and
25 hold the election in the manner prescribed by Section 3900.213.

26 (d) The ballots shall be printed to provide for voting for
27 or against the proposition: "Authorization of a sales and use tax

1 in the Austin Desired Development Zone Management District No. 2 at
2 a rate not to exceed _____ percent."

3 Sec. 3900.304. ABOLISHING SALES AND USE TAX. (a) Except as
4 provided in Subsection (b), the board may abolish the sales and use
5 tax without an election.

6 (b) The board may not abolish the sales and use tax if the
7 district has outstanding debt secured by the tax.

8 (c) Notwithstanding Subsection (b), a sales and use tax
9 adopted under this subchapter is automatically abolished on the
10 effective date of full-purpose annexation by the city of the
11 district.

12 Sec. 3900.305. SALES AND USE TAX RATE. (a) On adoption of
13 the tax authorized by this subchapter, there is imposed a tax on the
14 receipts from the sale at retail of taxable items in the district
15 and an excise tax on the use, storage, or other consumption in the
16 district of taxable items purchased, leased, or rented from a
17 retailer in the district during the period that the tax is in
18 effect.

19 (b) The board shall determine the rate of the tax, which may
20 be in one-eighth of one percent increments not to exceed the maximum
21 rate authorized by the district voters at the election. The board
22 may lower the tax rate to the extent it does not impair any
23 outstanding debt or obligations payable from the tax.

24 (c) The rate of the excise tax is the same as the rate of the
25 sales tax portion of the tax and is applied to the sales price of the
26 taxable item.

27 [Sections 3900.306-3900.350 reserved for expansion]

SUBCHAPTER G. HOTEL OCCUPANCY TAXES

Sec. 3900.351. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section 156.001, Tax Code.

(b) For purposes of this section, a reference in Chapter 351, Tax Code, to a municipality is a reference to the district and a reference in Chapter 351, Tax Code, to the municipality's officers or governing body is a reference to the board.

(c) Except as inconsistent with this section, Subchapter A, Chapter 351, Tax Code, governs a hotel occupancy tax authorized by this section.

(d) The district may impose a hotel occupancy tax and use the revenue from the tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351, Tax Code.

(e) The board by order may impose, repeal, increase, or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that:

(1) is in a hotel located in the district's boundaries;

(2) costs \$2 or more each day; and

(3) is ordinarily used for sleeping.

(f) The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

(g) The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

1 (h) A hotel occupancy tax imposed under this subchapter is
2 automatically abolished on the effective date of full-purpose
3 annexation by the city of the district.

4 [Sections 3900.352-3900.400 reserved for expansion]

5 SUBCHAPTER H. DISSOLUTION

6 Sec. 3900.401. DISSOLUTION. (a) The district may not be
7 dissolved under Subchapter M, Chapter 375, Local Government Code,
8 or any other law that authorizes dissolution of the district unless
9 all of the district's outstanding debts and contractual obligations
10 payable from ad valorem taxes, sales and use taxes, assessments, or
11 other revenue sources are paid in full or payment is fully provided
12 for.

13 (b) If the conditions of Subsection (a) are satisfied, the
14 district may be dissolved by the affirmative vote of at least five
15 of the directors of the board. If the conditions of Subsection (a)
16 are satisfied after the district has been annexed into the city for
17 full purposes, the city may dissolve the district by the majority
18 vote of its governing body.

19 (c) Dissolution of the district shall be in accordance with
20 the terms and conditions of this section and of an agreement between
21 the landowner and the city under Section 3900.010.

22 (d) Sections 43.075 and 43.0715, Local Government Code, do
23 not apply to the district.

24 SECTION 2. Austin Desired Development Zone District No. 2
25 includes all territory contained in the following area:

26 A DESCRIPTION OF 468.280 ACRES IN THE SANTIAGO DEL VALLE
27 GRANT IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF AN 81.018 ACRE

1 TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION
2 INC., DATED DECEMBER 12, 2006 AND RECORDED IN DOCUMENT NO.
3 2006246454 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS,
4 A PORTION OF A 103.415 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY
5 DEED TO JONA ACQUISITION INC., DATED NOVEMBER 20, 2006 AND RECORDED
6 IN DOCUMENT NO. 2006224021 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS
7 COUNTY, TEXAS, A PORTION OF A 167.748 ACRE TRACT DESCRIBED IN A
8 GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 13,
9 2006 AND RECORDED IN DOCUMENT NO. 2006241307 OF THE OFFICIAL PUBLIC
10 RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 42.558 ACRE TRACT
11 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
12 DATED MAY 16, 2008 AND RECORDED IN DOCUMENT NO. 2008083861 OF THE
13 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
14 20.005 ACRE TRACT DESCRIBED IN A WARRANTY DEED WITH VENDOR'S LIEN TO
15 JOHN T. HALDENSTEIN AND JOSHUA N. HALDENSTEIN, DATED DECEMBER 14,
16 2000 AND RECORDED IN DOCUMENT NO. 2000203669 OF THE OFFICIAL PUBLIC
17 RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 198.302 ACRE TRACT
18 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
19 DATED DECEMBER 20, 2006 AND RECORDED IN DOCUMENT NO. 2006244772 OF
20 THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
21 37.390 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA
22 ACQUISITION INC., DATED OCTOBER 30, 2008 AND RECORDED IN DOCUMENT
23 NO. 2008179828 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
24 TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED IN A SPECIAL
25 WARRANTY DEED WITH VENDOR'S LIEN TO JONA ACQUISITION INC., DATED
26 JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190 OF THE
27 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND A PORTION OF AN

1 67.339 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA
2 ACQUISITION INC., DATED NOVEMBER 7, 2007 AND RECORDED IN DOCUMENT
3 NO. 2007204509 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
4 TEXAS; SAID 468.280 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY
5 METES AND BOUNDS AS FOLLOWS:

6 BEGINNING at a calculated point for the southeast corner of
7 said 103.415 acre tract, same being the northeast corner of a 0.1291
8 acre tract described in a deed of record under Document No.
9 2001163489 of the Official Public Records of Travis County, Texas,
10 and in the west right-of-way line of F.M. 1625 (80' right-of-way);

11 THENCE North 62°41'37" West, with the south line of said
12 103.415 acre tract, same being the north line of said 0.1291 acre
13 tract, at a distance of 0.50 feet passing a 2" iron pipe found, and
14 continuing for a total distance of 75.00 feet to a 1/2" rebar with
15 plastic "Chaparral Boundary" cap found at the northwest corner of
16 said 0.1291 acre tract, same being the northeast corner of said
17 167.748 acre tract;

18 THENCE with the east lines of said 167.748 acre tract, same
19 being the northwest and southwest lines of said 0.1291 acre tract,
20 the following two (2) courses and distances:

21 1. South 27°05'45" West, a distance of 75.17 feet to a 1/2"
22 rebar with "Chaparral Boundary" cap found;

23 2. South 62°41'37" East, at a distance of 23.12 feet to a
24 calculated point in the east line of said 167.748 acre tract, same
25 being the southwest line of said 0.1291 acre tract;

26 THENCE crossing said 167.748 acre tract, said 42.558 acre
27 tract, said 20.005 acre tract, said 198.302 acre tract, said

1 232.233 acre tract, said 37.390 acre tract, said 67.339 acre tract,
2 said 81.018 acre tract, said 103.415 acre tract the following
3 thirty-one (31) courses and distances:

4 1. South $27^{\circ}11'27''$ West, a distance of 373.24 feet to a
5 calculated point;

6 2. North $62^{\circ}48'33''$ West, a distance of 157.15 feet to a
7 calculated point for a point of curvature to the left;

8 3. Following said curve to the left, having a radius of
9 1400.01 feet, a delta angle of $30^{\circ}17'26''$, an arc length of 740.14
10 feet, and a chord which bears North $77^{\circ}57'16''$ West, a distance of
11 731.55 feet to a calculated point;

12 4. South $86^{\circ}54'01''$ West, a distance of 948.17 feet to a
13 calculated point for a point of curvature to the right;

14 5. Following said curve to the right, having a radius of
15 1400.00 feet, a delta angle of $31^{\circ}17'39''$, an arc length of 764.66
16 feet, and a chord which bears North $77^{\circ}27'10''$ West, a distance of
17 755.19 feet to a calculated point;

18 6. North $61^{\circ}48'21''$ West, a distance of 1129.78 feet to a
19 calculated point;

20 7. North $28^{\circ}11'39''$ East, a distance of 913.30 feet to a
21 calculated point;

22 8. North $61^{\circ}48'21''$ West, a distance of 6.57 feet to a
23 calculated point for a point of curvature to the right;

24 9. Following said curve to the right, having a radius of
25 531.00 feet, a delta angle of $36^{\circ}15'15''$, an arc length of 335.99
26 feet, and a chord which bears North $46^{\circ}19'17''$ East, a distance of
27 330.42 feet to a calculated point;

1 10. North $25^{\circ}33'06''$ West, a distance of 187.89 feet to a
2 calculated point for a point of curvature to the left;

3 11. Following said curve to the right, having a radius of
4 1000.01 feet, a delta angle of $37^{\circ}22'12''$, an arc length of 652.23
5 feet, and a chord which bears North $44^{\circ}14'12''$ West, a distance of
6 640.74 feet to a calculated point;

7 12. North $62^{\circ}55'18''$ West, a distance of 280.83 feet to a
8 calculated point for a point of curvature to the right;

9 13. Following said curve to the right, having a radius of
10 800.00 feet, a delta angle of $35^{\circ}47'43''$, an arc length of 499.80
11 feet, and a chord which bears North $45^{\circ}01'27''$ West, a distance of
12 491.71 feet to a calculated point;

13 14. North $27^{\circ}07'35''$ West, a distance of 204.28 feet to a
14 calculated point for a point of curvature to the right;

15 15. Following said curve to the right, having a radius of
16 1600.01 feet, a delta angle of $108^{\circ}24'34''$, an arc length of 3027.38
17 feet, and a chord which bears North $27^{\circ}04'42''$ East, a distance of
18 2595.57 feet to a calculated point for a point of reverse curvature
19 to the left;

20 16. Following said curve to the left, having a radius of
21 1000.01 feet, a delta angle of $29^{\circ}04'06''$, an arc length of 507.34
22 feet, and a chord which bears North $69^{\circ}17'59''$ East, a distance of
23 501.92 feet to a calculated point;

24 17. North $54^{\circ}40'51''$ East, a distance of 483.26 feet to a
25 calculated point for a point of curvature to the left;

26 18. Following said curve to the left, having a radius of
27 1226.51 feet, a delta angle of $16^{\circ}03'46''$, an arc length of 343.85

1 feet, and a chord which bears South $43^{\circ}15'53''$ East, a distance of
2 342.73 feet to a calculated point;

3 19. South $51^{\circ}17'46''$ East, a distance of 107.66 feet to a
4 calculated point for a point of curvature to the right;

5 20. Following said curve to the right, having a radius of
6 923.51 feet, a delta angle of $14^{\circ}15'58''$, an arc length of 229.94
7 feet, and a chord which bears South $44^{\circ}09'47''$ East, a distance of
8 229.35 feet to a calculated point;

9 21. South $37^{\circ}01'48''$ East, a distance of 185.80 feet to a
10 calculated point for a point of curvature to the left;

11 22. Following said curve to the left, having a radius of
12 434.00 feet, a delta angle of $16^{\circ}37'02''$, an arc length of 125.87
13 feet, and a chord which bears South $45^{\circ}20'18''$ East, a distance of
14 125.43 feet to a calculated point;

15 23. South $53^{\circ}38'49''$ East, a distance of 589.06 feet to a
16 calculated point for a point of curvature to the right;

17 24. Following said curve to the right, having a radius of
18 720.83 feet, a delta angle of $20^{\circ}51'58''$, an arc length of 262.52
19 feet, and a chord which bears South $43^{\circ}12'50''$ East, a distance of
20 261.07 feet to a calculated point;

21 25. South $32^{\circ}49'11''$ East, a distance of 345.55 feet to a
22 calculated point for a point of curvature to the left;

23 26. Following said curve to the left, having a radius of
24 782.00 feet, a delta angle of $30^{\circ}06'07''$, an arc length of 410.85
25 feet, and a chord which bears South $47^{\circ}52'15''$ East, a distance of
26 406.14 feet to a calculated point;

27 27. South $62^{\circ}55'18''$ East, a distance of 878.22 feet to a

1 calculated point for a point of curvature to the right;

2 28. Following said curve to the right, having a radius of
3 668.00 feet, a delta angle of $90^{\circ}00'00''$, an arc length of 1049.30
4 feet, and a chord which bears South $17^{\circ}55'18''$ East, a distance of
5 944.70 feet to a calculated point;

6 29. South $62^{\circ}55'18''$ East, a distance of 7.00 feet to a
7 calculated point;

8 30. South $27^{\circ}04'42''$ West, a distance of 1195.83 feet to a
9 calculated point;

10 31. South $62^{\circ}55'18''$ East, a distance of 582.76 feet to a
11 calculated point in the east line of said 103.415 acre tract, same
12 being in the northwest right-of-way line of F.M. 1625;

13 THENCE South $27^{\circ}05'45''$ West, with the east line of said
14 103.415 acre tract, same being the west right-of-way line of F.M.
15 1625, a distance of 1273.54 feet to the POINT OF BEGINNING,
16 containing 468.280 acres of land, more or less.

17 SAVE AND EXCEPT TRACT: 0.458 ACRES

18 BEGINNING at a $1/2''$ rebar found for the southeast corner of
19 said 21,064 square foot tract, same being a point in the south line
20 of said 12.7 acre tract, also being a point in the north line of said
21 37.390 acre tract, from which a $1/2''$ rebar with "Chaparral
22 Boundary" cap found for the northeast corner of said 37.390 acre
23 tract, same being the southeast corner of said 12.7 acre tract, also
24 being a point in the west line of said 198.302 acre tract, bears
25 South $62^{\circ}15'58''$ West, a distance of 34.88 feet;

26 THENCE North $62^{\circ}15'58''$ West, with the south line of said 12.7
27 acre tract, same being the north line of said 37.390 acre tract, a

1 distance of 84.16 feet to a 1/2" rebar with cap set for the
2 southwest corner of said 21,064 square foot tract;

3 THENCE crossing said 12.7 acre tract, the following three (3)
4 courses and distances:

5 1. North 27°03'32" East, a distance of 251.09 feet to a 1/2"
6 rebar found;

7 2. South 62°00'51" East, a distance of 84.16 feet to a 1/2"
8 rebar found;

9 3. South 27°03'32" West, a distance of 250.72 feet to the
10 POINT OF BEGINNING, containing 0.458 acres of land, more or less.

11 SECTION 3. (a) The legislature finds that the development
12 or redevelopment in the area in the proposed Austin Desired
13 Development Zone District No. 2 would not occur solely through
14 private investment in the reasonably foreseeable future.

15 (b) The legislature further finds that the area in the
16 proposed Austin Desired Development Zone District No. 2 is
17 unproductive and underdeveloped and that the conditions
18 substantially arrest or impair the sound growth of the area, are an
19 economic or social liability, and present a menace to the public
20 health, safety, morals, or welfare.

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

1 (b) The governor, one of the required recipients, has
2 submitted the notice and Act to the Texas Commission on
3 Environmental Quality.

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

8 (d) The general law relating to consent by political
9 subdivisions to the creation of districts with conservation,
10 reclamation, and road powers and the inclusion of land in those
11 districts has been complied with.

12 (e) All requirements of the constitution and laws of this
13 state and the rules and procedures of the legislature with respect
14 to the notice, introduction, and passage of this Act have been
15 fulfilled and accomplished.

16 SECTION 5. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2009.