

By: Oliveira

H.B. No. 3860

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Port Isabel Improvement District
3 No. 1; providing authority to impose a tax and issue bonds; granting
4 a limited power of eminent domain.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws
7 Code, is amended by adding Chapter 3906 to read as follows:

8 CHAPTER 3906. PORT ISABEL IMPROVEMENT DISTRICT NO. 1

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3906.001. DEFINITIONS. In this chapter:

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

12 (2) "City" means the City of Port Isabel.

13 (3) "Director" means a board member.

14 (4) "District" means the Port Isabel Improvement
15 District No. 1.

16 Sec. 3906.002. CREATION AND NATURE OF DISTRICT. The
17 district is a special district created under Section 59, Article
18 XVI, Texas Constitution.

19 Sec. 3906.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
20 creation of the district is essential to accomplish the purposes of
21 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
22 Texas Constitution, and other public purposes stated in this
23 chapter. By creating the district and in authorizing the city and
24 other political subdivisions to contract with the district, the

1 legislature has established a program to accomplish the public
2 purposes set out in Section 52-a, 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) The district is created to supplement and not to
9 supplant city services provided in the district.

10 Sec. 3906.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
11 The district is created to serve a public use and benefit.

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

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

19 (1) developing and diversifying the economy of the
20 state;

21 (2) eliminating unemployment and underemployment;

22 (3) providing quality residential housing; and

23 (4) developing or expanding transportation and
24 commerce.

25 (d) The district will:

26 (1) promote the health, safety, and general welfare of
27 residents, employers, potential employees, employees, visitors,

1 and consumers in the district, and of the public;

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

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

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, vehicle parking, and street art objects are parts of
12 and necessary components of a street and are considered to be an
13 improvement project that includes a street 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. 3906.005. DISTRICT TERRITORY. (a) The district is
18 composed of the territory described by Section 2 of the Act enacting
19 this chapter, as that territory may have been modified under
20 Section 3906.113 or other law.

21 (b) A mistake in the field notes of the district contained
22 in Section 2 of the Act enacting this chapter or in copying the
23 field notes in the legislative process does not in any way affect:

24 (1) the district's organization, existence, or
25 validity;

26 (2) the district's right to contract, including the
27 right to issue any type of bond or other obligation for a purpose

1 for which the district is created;

2 (3) the district's right to impose or collect an
3 assessment, tax, or any other revenue; or

4 (4) the legality or operation of the board.

5 Sec. 3906.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

8 (1) a tax increment reinvestment zone created by the
9 city under Chapter 311, Tax Code;

10 (2) a tax abatement reinvestment zone created by the
11 city under Chapter 312, Tax Code;

12 (3) an enterprise zone created by the city under
13 Chapter 2303, Government Code; or

14 (4) an industrial district created by the city under
15 Chapter 42, Local Government Code.

16 [Sections 3906.007-3906.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 3906.051. GOVERNING BODY; TERMS. The district is
19 governed by a board of five directors who serve staggered terms of
20 four years, with two or three directors' terms expiring June 1 of
21 each odd-numbered year.

22 Sec. 3906.052. APPOINTMENT OF DIRECTORS. The governing body
23 of the city shall appoint directors. Four directors must be
24 appointed from persons recommended by the board as provided by
25 Section 375.064, Local Government Code.

26 Sec. 3906.053. QUALIFICATIONS. (a) The four directors
27 recommended by the board must meet the qualifications described by

1 Section 54.102, Water Code, and by Section 375.064, Local
2 Government Code.

3 (b) Section 49.052, Water Code, does not apply to the
4 district.

5 Sec. 3906.054. AFFIDAVIT AND ABSTENTION FROM VOTING
6 REQUIRED. A director shall comply with Section 171.004, Local
7 Government Code, including the disclosure and abstention
8 requirements of that section.

9 Sec. 3906.055. REMOVAL OF DIRECTORS. Section 375.065,
10 Local Government Code, governs the removal of directors.

11 Sec. 3906.056. DIRECTOR'S OATH OR AFFIRMATION. A director
12 shall file the director's oath or affirmation of office with the
13 district, and the district shall retain the oath or affirmation in
14 the district records.

15 Sec. 3906.057. OFFICERS. The board shall elect from among
16 the directors a chair, a vice chair, and a secretary. The offices of
17 chair and secretary may not be held by the same person.

18 Sec. 3906.058. COMPENSATION; EXPENSES. (a) The district
19 may compensate each director in an amount not to exceed \$50 for each
20 board meeting. The total amount of compensation a director may
21 receive each year may not exceed \$2,000.

22 (b) A director is entitled to reimbursement for necessary
23 and reasonable expenses incurred in carrying out the duties and
24 responsibilities of a director.

25 Sec. 3906.059. LIABILITY INSURANCE FOR DIRECTORS. The
26 district may obtain and pay for comprehensive general liability
27 insurance coverage from a commercial insurance company or other

1 source that protects and insures a director against personal
2 liability and from all claims relating to:

3 (1) actions taken by the director in the director's
4 capacity as a member of the board;

5 (2) actions and activities taken by the district; or

6 (3) the actions of others acting on behalf of the
7 district.

8 Sec. 3906.060. INITIAL DIRECTORS. (a) Not later than the
9 60th day after the effective date of the Act enacting this chapter,
10 the governing body of the city shall appoint an initial board of
11 five directors.

12 (b) At least three of the initial directors must:

13 (1) reside in the district;

14 (2) own land in the district; or

15 (3) be an agent of a person who owns land in the
16 district.

17 (c) The terms of two initial directors expire June 1, 2013,
18 and the terms of three initial directors expire June 1, 2015.

19 (d) This section expires September 1, 2015.

20 [Sections 3906.061-3906.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 3906.101. IMPROVEMENT PROJECTS. The district may
23 provide, or it may enter into contracts with a governmental or
24 private entity to provide, the improvement projects described by
25 Subchapter C-1 or activities in support of or incidental to those
26 projects.

27 Sec. 3906.102. WATER DISTRICT POWERS. The district has the

1 powers provided by the general laws relating to conservation and
2 reclamation districts created under Section 59, Article XVI, Texas
3 Constitution, including Chapters 49, 51, and 54, Water Code.

4 Sec. 3906.103. ROAD DISTRICT POWERS; EXCEPTION. (a)

5 Except as provided by Subsection (b), the district has the powers
6 provided by the general laws relating to road districts and road
7 utility districts created under Section 52(b), Article III, Texas
8 Constitution, including Chapter 441, Transportation Code.

9 (b) The district may exercise any power granted by this
10 chapter and by Chapter 441, Transportation Code, without regard to
11 any provision or requirement of, or procedure prescribed by,
12 Chapter 441, Transportation Code.

13 Sec. 3906.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The
14 district has the powers provided by Subchapter A, Chapter 372,
15 Local Government Code, to a municipality or county.

16 Sec. 3906.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The
17 district has the powers provided by Chapter 375, Local Government
18 Code.

19 Sec. 3906.106. DEVELOPMENT CORPORATION POWERS. The
20 district, using money available to the district, may exercise the
21 powers given to a development corporation under Chapter 505, Local
22 Government Code, including the power to own, operate, acquire,
23 construct, lease, improve, or maintain a project under that
24 chapter.

25 Sec. 3906.107. NONPROFIT CORPORATION. (a) The board by
26 resolution may authorize the creation of a nonprofit corporation to
27 assist and act for the district in implementing a project or

1 providing a service authorized by this chapter.

2 (b) The nonprofit corporation:

3 (1) has each power of and is considered to be a local
4 government corporation created under Subchapter D, Chapter 431,
5 Transportation Code; and

6 (2) may implement any project and provide any service
7 authorized by this chapter.

8 (c) The board shall appoint the board of directors of the
9 nonprofit corporation. The board of directors of the nonprofit
10 corporation shall serve in the same manner as the board of directors
11 of a local government corporation created under Subchapter D,
12 Chapter 431, Transportation Code, except that a board member is not
13 required to reside in the district.

14 Sec. 3906.108. AGREEMENTS; GRANTS. (a) As provided by
15 Chapter 375, Local Government Code, the district may make an
16 agreement with or accept a gift, grant, or loan from any person.

17 (b) The implementation of a project is a governmental
18 function or service for the purposes of Chapter 791, Government
19 Code.

20 Sec. 3906.109. LAW ENFORCEMENT SERVICES. To protect the
21 public interest, the district may contract with a qualified party,
22 including the county or the city, to provide law enforcement
23 services in the district for a fee.

24 Sec. 3906.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
25 district may join and pay dues to a charitable or nonprofit
26 organization that performs a service or provides an activity
27 consistent with the furtherance of a district purpose.

1 Sec. 3906.111. ECONOMIC DEVELOPMENT. (a) The district may
2 engage in activities that accomplish the economic development
3 purposes of the district.

4 (b) The district may establish and provide for the
5 administration of one or more programs to promote state or local
6 economic development and to stimulate business and commercial
7 activity in the district, including programs to:

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

9 (2) provide district personnel and services.

10 (c) The district may create economic development programs
11 and exercise the economic development powers that:

12 (1) Chapter 380, Local Government Code, provides to a
13 municipality; and

14 (2) Subchapter A, Chapter 1509, Government Code,
15 provides to a municipality.

16 Sec. 3906.112. PARKING FACILITIES. (a) The district may
17 acquire, lease as lessor or lessee, construct, develop, own,
18 operate, and maintain parking facilities or a system of parking
19 facilities, including lots, garages, parking terminals, or other
20 structures or accommodations for parking motor vehicles off the
21 streets and related appurtenances.

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

26 (c) The district's parking facilities are parts of and
27 necessary components of a street and are considered to be a street

1 or road improvement.

2 (d) The development and operation of the district's parking
3 facilities may be considered an economic development program.

4 Sec. 3906.113. ANNEXATION OR EXCLUSION OF LAND. (a) The
5 district may annex land as provided by Subchapter J, Chapter 49,
6 Water Code.

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

10 Sec. 3906.114. LIMITED EMINENT DOMAIN POWER TO ACQUIRE
11 SEAWALL. (a) The district may acquire by condemnation any land,
12 easements, or other property inside the district boundaries only as
13 necessary for the construction of a seawall. The district may elect
14 to condemn either the fee simple title or a lesser property
15 interest.

16 (b) The district may not acquire by condemnation:

17 (1) any land, easements, or other property inside the
18 district boundaries for a purpose other than constructing a
19 seawall;

20 (2) any land, easements, or other property outside the
21 district; or

22 (3) water or water rights.

23 (c) The district shall exercise the right of eminent domain
24 in the manner provided by Chapter 21, Property Code. The district
25 is not required to:

26 (1) give bond for appeal or bond for costs in a
27 condemnation suit or other suit to which it is a party; or

1 (2) deposit more than the amount of an award in a suit.

2 (d) Section 375.094, Local Government Code, does not apply
3 to the district.

4 [Sections 3906.115-3906.150 reserved for expansion]

5 SUBCHAPTER C-1. IMPROVEMENT PROJECTS

6 Sec. 3906.151. BOARD DETERMINATION REQUIRED. The district
7 may not undertake an improvement project unless the board
8 determines the project to be necessary to accomplish a public
9 purpose of the district.

10 Sec. 3906.152. LOCATION OF IMPROVEMENT PROJECT. An
11 improvement project may be located:

12 (1) in the district; or

13 (2) in an area outside but adjacent to the district if
14 the project is for the purpose of extending a public infrastructure
15 improvement beyond the district's boundaries to a logical terminus.

16 Sec. 3906.153. MUNICIPAL REQUIREMENTS. An improvement
17 project in a municipality must comply with any applicable municipal
18 requirements, including codes and ordinances.

19 Sec. 3906.154. LAKE OR OTHER BODY OF WATER. For the
20 purposes of this subchapter, planning, design, construction,
21 improvement, or maintenance of a lake or other body of water
22 includes dredging, cleaning, widening, deepening, or other
23 drainage, reclamation, or recreation work done to make the lake or
24 other body of water navigable, clean, or safe for recreational use.

25 Sec. 3906.155. WATER. (a) An improvement project may
26 include a supply and distribution facility or system to provide
27 potable and nonpotable water to the residents and businesses of the

1 district, including a wastewater collection facility.

2 (b) The district may plan, design, construct, improve,
3 maintain, or operate a water or sewer facility under this section.

4 Sec. 3906.156. ROADS. An improvement project may include a
5 paved, macadamized, or graveled road or street to the full extent
6 authorized by Section 52, Article III, Texas Constitution.

7 Sec. 3906.157. STORM WATER. An improvement project may
8 include protection and improvement of the quality of storm water
9 that flows through the district.

10 Sec. 3906.158. EDUCATION AND CULTURE. An improvement
11 project may include the planning and acquisition of:

12 (1) public art and sculpture and related exhibits and
13 facilities; or

14 (2) an educational facility and a cultural exhibit or
15 facility.

16 Sec. 3906.159. CONVENTION CENTER. An improvement project
17 may include the planning, design, construction, acquisition,
18 lease, rental, improvement, maintenance, installation, and
19 management of and provision of furnishings for a facility for:

20 (1) a conference, convention, or exhibition;

21 (2) a manufacturer, consumer, or trade show;

22 (3) a civic, community, or institutional event; or

23 (4) an exhibit, display, attraction, special event, or
24 seasonal or cultural celebration or holiday.

25 Sec. 3906.160. DEMOLITION. An improvement project may
26 include the removal, razing, demolition, or clearing of land or
27 improvements in connection with an improvement project.

1 Sec. 3906.161. MITIGATION OF ENVIRONMENTAL EFFECTS;
2 DEVELOPMENT AGREEMENT; TRANSIT PROJECT. An improvement project may
3 include the acquisition and improvement of land or other property
4 for the mitigation of the environmental effects of an improvement
5 project if the acquisition:

6 (1) complies with a development agreement between the
7 district and another person and the agreement conditions
8 reimbursement of costs associated with the acquisition on the
9 completion of substantial vertical development; or

10 (2) relates to a transit project.

11 Sec. 3906.162. ACQUISITION OF PROPERTY. An improvement
12 project may include the acquisition of property or an interest in
13 property in connection with an improvement project, including a
14 project authorized by Subchapter A, Chapter 372, Local Government
15 Code.

16 Sec. 3906.163. SPECIAL OR SUPPLEMENTAL SERVICES. An
17 improvement project may include a special or supplemental service
18 for the improvement and promotion of the district or an area
19 adjacent to the district or for the protection of public health and
20 safety in or adjacent to the district, including:

21 (1) a service listed in Section 375.112(a)(4), Local
22 Government Code;

23 (2) tourism;

24 (3) fire protection or emergency medical services; or

25 (4) educational improvements, enhancements, and
26 services.

27 Sec. 3906.164. MISCELLANEOUS DESIGN, CONSTRUCTION, AND

1 MAINTENANCE. An improvement project may include the planning,
2 design, construction, improvement, and maintenance of:

3 (1) a project or service listed in Section
4 375.112(a)(1), Local Government Code;

5 (2) highway right-of-way or transit corridor
6 beautification and improvement;

7 (3) a hiking and cycling path or trail;

8 (4) a pedestrian walkway;

9 (5) a garden, community activities center, dock,
10 wharf, sports facility, open space, or related exhibit or preserve;
11 or

12 (6) a bulkhead or other improvement designed to
13 prevent erosion.

14 Sec. 3906.165. SIMILAR IMPROVEMENT PROJECTS. An
15 improvement project may include a public improvement, facility, or
16 service similar to a project described by this subchapter.

17 [Sections 3906.166-3906.200 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 3906.201. BORROWING MONEY. The district may borrow
20 money for a district purpose by issuing or executing bonds,
21 negotiable or nonnegotiable notes, credit agreements, or other
22 obligations of any kind found by the board to be necessary or
23 appropriate for a district purpose. The bond, note, credit
24 agreement, or other obligation must be secured by and payable from
25 any combination of ad valorem taxes, assessments, or any other
26 district revenue or sources of money.

27 Sec. 3906.202. GENERAL POWERS REGARDING PAYMENT OF DISTRICT

1 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
2 secure the payment or repayment of any bond, note, or other
3 temporary or permanent obligation or reimbursement or other
4 contract with any person and the costs and expenses of the
5 establishment, administration, and operation of the district and
6 the district's costs or share of the costs or revenue of an
7 improvement project or district contractual obligation or
8 indebtedness by:

9 (1) the imposition of an ad valorem tax or an
10 assessment, user fee, concession fee, or rental charge; or

11 (2) any other revenue or resources of the district,
12 including tax increment revenue.

13 Sec. 3906.203. ASSESSMENTS. (a) The district may impose an
14 assessment on property in the district to pay the cost or the cost
15 of maintenance of any authorized district improvement in the manner
16 provided for:

17 (1) a district under Subchapters A, E, and F, Chapter
18 375, Local Government Code; or

19 (2) a municipality or county under Subchapter A,
20 Chapter 372, Local Government Code.

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

26 (1) are a first and prior lien against the property
27 assessed; and

1 (2) are superior to any other lien or claim other than
2 a lien or claim for county, school district, or municipal ad valorem
3 taxes.

4 (c) The lien of an assessment against property runs with the
5 land. The portion of an assessment payment obligation that has not
6 yet come due is not eliminated by the foreclosure of an ad valorem
7 tax lien, and any purchaser of property in a foreclosure of an ad
8 valorem tax lien takes the property subject to the assessment
9 payment obligations that have not yet come due and to the lien and
10 terms of the lien's payment under the applicable assessment
11 ordinance or order.

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

16 Sec. 3906.204. NOTICE OF ASSESSMENT. The board shall file
17 notice of an assessment imposed with the county clerk of Cameron
18 County and post the notice on the district's Internet website.

19 Sec. 3906.205. STORM WATER USER CHARGES. The district may
20 establish user charges related to the operation of storm water
21 facilities, including the regulation of storm water for the
22 protection of water quality in the district.

23 Sec. 3906.206. NONPOTABLE WATER USER CHARGES. The district
24 may establish user charges for the use of nonpotable water for
25 irrigation purposes, subject to approval of the governing body of
26 the municipality in which the user is located.

27 Sec. 3906.207. COSTS FOR IMPROVEMENT PROJECTS. The

1 district may undertake separately or jointly with other persons,
2 including the city, all or part of the cost of an improvement
3 project, including an improvement project:

4 (1) for improving, enhancing, and supporting public
5 safety and security, fire protection and emergency medical
6 services, and law enforcement; or

7 (2) that confers a general benefit on the entire
8 district or a special benefit on a definable part of the district.

9 Sec. 3906.208. RESIDENTIAL PROPERTY NOT EXEMPT. Section
10 375.161, Local Government Code, does not apply to the district.

11 [Sections 3906.209-3906.250 reserved for expansion]

12 SUBCHAPTER E. TAXES AND BONDS

13 Sec. 3906.251. TAX ABATEMENT. The district may enter into a
14 tax abatement agreement in accordance with the general laws of this
15 state authorizing and applicable to a tax abatement agreement by a
16 municipality.

17 Sec. 3906.252. PROPERTY TAX AUTHORIZED. The district may
18 impose an ad valorem tax on all taxable property in the district to:

19 (1) pay for an improvement project of the types
20 authorized by Section 52(b), Article III, and Section 59, Article
21 XVI, Texas Constitution; or

22 (2) secure the payment of bonds issued for a purpose
23 described by Subdivision (1).

24 Sec. 3906.253. MAINTENANCE AND OPERATION TAX; ELECTION.

25 (a) The district may impose a tax for maintenance and operation
26 purposes, including for:

27 (1) planning, constructing, acquiring, maintaining,

1 repairing, and operating all improvement projects, including land,
2 plants, works, facilities, improvements, appliances, and equipment
3 of the district; and

4 (2) paying costs of services, engineering and legal
5 fees, and organization and administrative expenses.

6 (b) The district may not impose a maintenance and operation
7 tax unless the tax is approved by a majority of the district voters
8 voting at an election held for that purpose.

9 (c) A maintenance and operation tax election may be held at
10 the same time and in conjunction with any other district election.
11 The election may be called by a separate election order or as part
12 of any other election order.

13 Sec. 3906.254. USE OF SURPLUS MAINTENANCE AND OPERATION
14 MONEY. If the district has maintenance and operation tax money that
15 is not needed for the purposes for which it was collected, the money
16 may be used for any authorized purpose.

17 Sec. 3906.255. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
18 APPROVAL. (a) The district may issue by public or private sale
19 bonds, notes, or other obligations payable wholly or partly from ad
20 valorem taxes, tax increment financing, or assessments in the
21 manner provided by Subchapter A, Chapter 372, or Subchapter J,
22 Chapter 375, Local Government Code.

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

1 (c) In addition to the sources of money described by Chapter
2 311, Tax Code, Subchapter A, Chapter 372, and Subchapter J, Chapter
3 375, Local Government Code, district bonds may be secured and made
4 payable, wholly or partly, by a pledge of any part of the money the
5 district receives from system or improvement revenue or from any
6 other source.

7 Sec. 3906.256. ISSUANCE AND APPROVAL OF OBLIGATION POWERS.
8 The district has the powers provided by Chapter 1371, Government
9 Code.

10 Sec. 3906.257. BOND MATURITY. Bonds may mature not more
11 than 40 years from their date of issue.

12 Sec. 3906.258. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
13 the time bonds or other obligations payable wholly or partly from ad
14 valorem taxes are issued:

15 (1) the board shall impose a continuing direct annual
16 ad valorem tax for each year that all or part of the bonds are
17 outstanding; and

18 (2) the district annually shall impose an ad valorem
19 tax on all taxable property in the district in an amount sufficient
20 to:

21 (A) pay the interest on the bonds or other
22 obligations as the interest becomes due; and

23 (B) create a sinking fund for the payment of the
24 principal of the bonds or other obligations when due or the
25 redemption price at any earlier required redemption date.

26 Sec. 3906.259. AUTHORITY TO ESTABLISH DEFINED AREAS OR
27 DESIGNATED PROPERTY. The district may define areas or designate

1 certain property of the district in the manner provided by
2 Subchapter J, Chapter 54, Water Code, regardless of the district's
3 size, to pay for improvements, facilities, or services that
4 primarily benefit that area or property and do not generally and
5 directly benefit the district as a whole.

6 Sec. 3906.260. NOTICE OF TAX. The district shall file
7 notice of a tax imposed with the county clerk of Cameron County and
8 post the notice on the district's Internet website.

9 [Sections 3906.261-3906.300 reserved for expansion]

10 SUBCHAPTER F. TAX INCREMENT REINVESTMENT ZONE

11 Sec. 3906.301. DISTRICT AS TAX INCREMENT REINVESTMENT ZONE.
12 Without further authorization or procedural requirement, the
13 district is a tax increment reinvestment zone under Chapter 311,
14 Tax Code.

15 Sec. 3906.302. BOARD; POWERS. (a) The district's board is
16 the board of directors of the tax increment reinvestment zone.

17 (b) The district's board has the powers of the board of
18 directors of a tax increment reinvestment zone granted under
19 Chapter 311, Tax Code, including:

20 (1) the powers granted to a municipality under Section
21 311.008, Tax Code, subject to the limitations in Section 311.010,
22 Tax Code; and

23 (2) the power under Section 311.010(c), Tax Code, to
24 restrict the use of property in the zone under Chapter 211, Local
25 Government Code.

26 (c) Section 311.009, Tax Code, does not apply to the tax
27 increment reinvestment zone board.

1 Sec. 3906.303. BASE YEAR VALUE. The base year value of the
2 district, for tax increment financing purposes, is the value as of
3 January 1, 2011, of all taxable real property in the district as
4 shown on the certified tax rolls of the central appraisal district.

5 Sec. 3906.304. INTERLOCAL AGREEMENTS ALLOWED. The
6 district and an overlapping taxing unit may enter into an
7 interlocal agreement for the payment of all or a portion of the tax
8 increment of the unit to the district.

9 Sec. 3906.305. USE OF MONEY. The district may grant money
10 deposited in the tax increment fund to the district to be used by
11 the district for the purposes permitted for money granted to a
12 corporation under Section 380.002(b), Local Government Code,
13 including the right to pledge the money as security for any bonds
14 issued by the district for an improvement project.

15 Sec. 3906.306. CITY CONSENT; DURATION. The city may, in its
16 consent to the creation of the district, determine the portion of
17 tax increment to be paid to the district and the initial duration of
18 the tax increment reinvestment zone.

19 Sec. 3906.307. RESTRICTIONS ON AREA NOT APPLICABLE. The
20 area of the district that is a tax increment reinvestment zone is
21 not subject to the limitations provided by Section 311.006(b), Tax
22 Code.

23 [Sections 3906.308-3906.350 reserved for expansion]

24 SUBCHAPTER G. DISSOLUTION

25 Sec. 3906.351. DISSOLUTION OF DISTRICT WITH OUTSTANDING
26 DEBT. (a) The district may be dissolved as provided by Subchapter
27 M, Chapter 375, Local Government Code, except that Section 375.264,

1 Local Government Code, does not apply to the district.

2 (b) The board may dissolve the district regardless of
3 whether the district has debt.

4 (c) If the district has debt when it is dissolved, the
5 district shall remain in existence solely for the purpose of
6 discharging its debts. The dissolution is effective when all debts
7 have been discharged.

8 Sec. 3906.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

9 (a) If the dissolved district has bonds or other obligations
10 outstanding secured by and payable from assessments or other
11 revenue, other than ad valorem taxes, the city shall succeed to the
12 rights and obligations of the district regarding enforcement and
13 collection of the assessments or other revenue.

14 (b) The city shall have and exercise all district powers to
15 enforce and collect the assessments or other revenue to pay:

16 (1) the bonds or other obligations when due and
17 payable according to their terms; or

18 (2) special revenue or assessment bonds or other
19 obligations issued by the city to refund the outstanding bonds or
20 obligations.

21 Sec. 3906.353. ASSUMPTION OF ASSETS AND LIABILITIES. If
22 the city dissolves the district:

23 (1) the city assumes the obligations of the district,
24 including any bonds or other debt payable from assessments or other
25 district revenue; and

26 (2) the board shall transfer ownership of all district
27 property to the city.

1 SECTION 2. The Port Isabel Improvement District No. 1
2 initially includes all the territory contained in the following
3 area:

4 Being a 45.10 acre tract out of a 182.42 acre tract situated in the
5 City of Port Isabel, Cameron County, Texas, said 182.42 acre tract
6 being more particularly described by metes and bounds as follows;
7 Beginning at the approximate intersection of W. State Hwy. 100 (W.
8 Queen Isabella Blvd.) and N. 2nd St., said intersection being the
9 POINT OF BEGINNING and also the southwestern most corner of this
10 tract:

11 Thence, continuing generally north along N. 2nd St. $N00^{\circ}00'38''W$,
12 992.66 feet to a point approximately located at the intersection of
13 2nd St. and Illinois Ave. and a point of deflection to the right;

14 Thence, continuing generally east along Illinois Ave. $S90^{\circ}00'00''E$,
15 288.23 feet to a point approximately located at the intersection of
16 Illinois Ave. and First St. and a point of deflection to the left;

17 Thence, continuing generally in a northeasterly direction along
18 First St., $N30^{\circ}19'02''E$, 885.93 feet and then $N27^{\circ}42'48''E$, 212.40
19 feet to a point approximately located at the intersection of First
20 St. and W. North Shore Dr.;

21 Thence, continuing generally in an easterly direction along W.
22 North Shore Dr. with the following calls:

23 Following along a curve to the right having a radius of 3481.45 feet
24 and an arc length of 515.77 feet;

25 Thence, $N80^{\circ}34'06''E$, 688.86 feet passing through the W. North Shore
26 Dr. Cul-de-Sac situated on the west side of the main canal and
27 crossing said main canal to a point approximately located at the

1 center of the W. North Shore Dr. Cul-de-Sac;
2 Thence, N87°16'53"E, 262.60 feet to a point located at the
3 intersection of N. Shore Dr. and N. Yturria St. and a point of
4 deflection to the right;
5 Thence, continuing generally in a southeasterly direction along N.
6 Yturria St. with the following calls:
7 S66°43'02"E, 1048.75 feet,
8 Thence, S77°29'11"E, 834.75 feet,
9 Thence, S77°20'18"E, 78.40 feet,
10 Thence, S34°27'49"E, 706.34 feet to a point approximately located at
11 the intersection with N. Yturria St. and W. State Hwy. 100 (W. Queen
12 Isabella Blvd.)
13 Thence, continuing generally along W. State Hwy. 100 (W. Queen
14 Isabella Blvd.) with the following calls:
15 S76°30'15"W, 237.92 feet,
16 Thence, S55°32'11"W, 485.22 feet,
17 Thence, S53°19'55"W, 1309.56 feet,
18 Thence, following along a curve to the right having a radius of
19 1250.27 feet and an arc length of 928.59 feet,
20 Thence, N84°02'49"W, 847.36 feet,
21 Thence, following along a curve to the right having a radius of
22 2763.89 feet and an arc length of 887.31 feet,
23 Thence, N68°12'13"W, 318.83 feet to the approximate POINT OF
24 BEGINNING and containing 182.42 acres, Less the following three
25 areas totaling 45.10 acres to be excluded;
26 97.01 Acre Tract:
27 Excluding an area being 97.01 acres situated within the afore

1 mentioned 182.42 acres and being more particularly described as
2 follows:

3 Beginning at a point situated approximately 380.0 feet southwest of
4 the approximate intersection of N. Shore Dr. and N. Yturria St. said
5 intersection being the POINT OF BEGINNING,

6 Thence, N80°34'06"E, 116.18 feet, to a point of deflection to the
7 right,

8 Thence, N87°16'53"E, 262.60 feet to a point located at the
9 intersection of N. Shore Dr. and N. Yturria St. and a point of
10 deflection to the right;

11 Thence, continuing generally in a southeasterly direction along N.
12 Yturria St. with the following calls:

13 S66°43'02"E, 1048.75 feet,

14 Thence, S77°29'11"E, 834.75 feet,

15 Thence, S77°20'18"E, 78.40 feet,

16 Thence, S34°27'49"E, 706.34 feet to a point approximately located at
17 the intersection with N. Yturria St. and W. State Hwy. 100 (W. Queen
18 Isabella Blvd.)

19 Thence, continuing generally along W. State Hwy. 100 (W. Queen
20 Isabella Blvd.) with the following calls:

21 S76°30'15"W, 237.92 feet,

22 Thence, S55°32'11"W, 485.22 feet,

23 Thence, S53°19'55"W, 1309.56 feet,

24 Thence, following along a curve to the right having a radius of
25 1250.27 feet and an arc length of 922.59 feet,

26 Thence, continuing generally north along Island Ave. N04°20'40"E,
27 222.19 feet,

1 Thence, following along a curve to the left having a radius of
2 777.53 feet and an arc length of 437.02 feet,
3 Thence, following along a curve to the right having a radius of
4 573.56 feet and an arc length of 289.72 feet,
5 Thence, N00°00'00"W, 1320.52 feet,
6 Thence, N67°19'01"E, 52.43 feet,
7 Thence, N45°42'19"E, 51.62 feet,
8 Thence, N07°16'44"E, 124.96 feet,
9 Thence, N35°58'29"W, 55.40 feet,
10 Thence, N02°09'44"W, 23.47 feet, to the approximate POINT OF
11 BEGINNING and containing 97.01 acres.

12 36.50 Acres:

13 Excluding an area being 36.50 acres situated within the afore
14 mentioned 182.42 acres, and being more particularly described as
15 follows:

16 Beginning at a point situated approximately 700.00 feet east of the
17 approximate intersection of N. Shore Dr. and Yturria St., said
18 point being the POINT OF BEGINNING,

19 Thence, continuing along a shoreline with the following calls:

20 Following along a curve to the right having a radius of 146.44 feet
21 and an arc length of 179.23 feet,

22 Thence, N88°34'07"W, 59.23 feet,

23 Thence, S81°35'31"W, 212.48 feet,

24 Thence, S52°03'09"W, 170.82 feet,

25 Thence, S60°00'52"W, 165.71 feet,

26 Thence, S43°44'31"W, 94.20 feet,

27 Thence, S51°21'18"W, 113.71 feet,

1 Thence, S37°43'13"W, 346.57 feet,
2 Thence, following along a curve to the left having a radius of
3 360.58 feet and an arc length of 220.18 feet,
4 Thence, S01°45'48"E, 122.64 feet,
5 Thence, following along a curve to the left having a radius of
6 1419.42 feet and an arc length of 277.22 feet,
7 Thence, S17°12'41"E, 720.75 feet,
8 Thence, N61°12'07"E, 42.91 feet,
9 Thence, following along a curve to the right having a radius of
10 217.02 feet and an arc length of 170.89 feet,
11 Thence, S74°43'17"E, 303.06 feet,
12 Thence, S86°44'59"E, 82.86 feet,
13 Thence, N72°02'59"E, 137.36 feet,
14 Thence, N58°15'14"E, 165.73 feet,
15 Thence, N01°30'30"E, 51.00 feet,
16 Thence, N54°15'37"E, 124.02 feet,
17 Thence, following along a curve to the left having a radius of
18 110.46 feet and an arc length of 95.48 feet,
19 Thence, N04°42'37"E, 114.42 feet,
20 Thence, S89°07'57"W, 88.60 feet,
21 Thence, S29°33'06"W, 92.53 feet,
22 Thence, S35°24'33"W, 125.10 feet,
23 Thence, N61°53'20"W, 88.26 feet,
24 Thence, N29°13'06"E, 247.48 feet,
25 Thence, following along a curve to the left having a radius of
26 1357.61feet and an arc length of 147.15 feet,
27 Thence, N09°00'46"E, 54.80 feet,

1 Thence, N11°50'53"E, 94.86 feet,
2 Thence, following along a curve to the right having a radius of
3 225.45feet and an arc length of 108.46 feet,
4 Thence, N71°20'07"E, 70.18 feet, to a point on the western
5 right-of-way of Island Ave.
6 Thence, S00°00'00"W, 337.14 feet,
7 Thence, following along a curve to the left having a radius of
8 734.06feet and an arc length of 282.24 feet,
9 Thence, following along a curve to the right having a radius of
10 777.53feet and an arc length of 437.02 feet,
11 Thence, S04°20'40"W, 222.19 feet,
12 Thence, N84°02'49"W, 784,86 feet,
13 Thence, following along a curve to the right having a radius of
14 2763.89 feet and an arc length of 887.31 feet,
15 Thence, N68°12'13"W, 318.83 feet,
16 Thence, N00°00'38"W, 992.66 feet,
17 Thence, S90°00'00"E, 288.23 feet,
18 Thence, N30°19'02"E, 885.93 feet,
19 Thence, N27°42'48"E, 212.40 feet,
20 Thence, Following along a curve to the right having a radius of
21 3481.45 feet and an arc length of 515.77 feet;
22 Thence, continuing generally north along Island Ave. N80°34'06"E,
23 284.43 feet to the approximate POINT OF BEGINNING and containing
24 36.50 acres.
25 Harbor Island Dr:
26 Excluding an area being 3.81 acres situated within the afore
27 mentioned 182.42 acres, said area partially encompassing Harbor

1 Island Dr. and being more particularly described as follows:

2 Beginning at a point situated approximately 93.0 feet northwest of
3 the approximate intersection of Harbor Island Dr. and Island Ave.,
4 said intersection being the POINT OF BEGINNING,

5 Thence, continuing in a southerly direction along with the west
6 right-of-way of Island Ave. with the following calls:

7 S00°22'36"E, 239.66 feet

8 Thence, N51°07'58"W, 48.22 feet,

9 Thence, S81°59'37"W 165.11 feet,

10 Thence, S54°05'12"W, 472.53 feet,

11 Thence, N46°24'16"E, 59.39 feet,

12 Thence, S50°19'46"W, 91.11 feet,

13 Thence, N47°03'38"W, 59.11 feet,

14 Thence, N65°33'01"W, 52.83 feet,

15 Thence, N26°31'28"E, 97.24 feet,

16 Thence, N52°36'42"E, 388.69 feet,

17 Thence, N64°30'00"W, 236.16 feet,

18 Thence, N75°43'05"E, 132.47 feet,

19 Thence, N85°31'47"E, 93.17 feet, to the approximate POINT OF
20 BEGINNING and containing 3.81 acres.

21 The total acreage for said 182.42 acre tract excluding said three
22 areas totaling 137.32 acres described herein totals 45.10 acres.

23 SECTION 3. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

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

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

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

14 SECTION 4. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2011.