

1-1 By: West S.B. No. 412
1-2 (In the Senate - Filed January 25, 2011; February 2, 2011,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 4, 2011, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; April 4, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to payment of costs of improvements of a public
1-9 improvement district designated by a municipality or county.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 372.023, Local Government Code, is
1-12 amended by amending Subsections (a), (d), (e), and (g) and adding
1-13 Subsections (a-1) and (d-1) to read as follows:

1-14 (a) Costs of improvements may be paid or reimbursed by any
1-15 combination of the methods described by this section if the
1-16 improvements are dedicated, conveyed, leased, or otherwise
1-17 provided to or for the benefit of:

1-18 (1) a municipality or county;

1-19 (2) a political subdivision or other entity exercising
1-20 the powers granted under this subchapter as authorized by other
1-21 law; or

1-22 (3) an entity that:

1-23 (A) is approved by the governing body of an
1-24 entity described by Subdivision (1) or (2); and

1-25 (B) is authorized by order, ordinance,
1-26 resolution, or other official action to act for an entity described
1-27 by Subdivision (1) or (2) [The cost of an improvement made under
1-28 this subchapter must be paid in accordance with this section].

1-29 (a-1) The payment or reimbursement may be provided before or
1-30 after a method of payment or reimbursement authorized by this
1-31 section is entered into or issued.

1-32 (d) Costs [A cost] payable from a special assessment that is
1-33 payable [to be paid] in installments may be paid by any combination
1-34 of the following methods [and a cost payable by the municipality or
1-35 county as a whole but not payable from available general funds or
1-36 other available general improvement funds shall be paid]:

1-37 (1) under an installment sales [sale] contract or a
1-38 reimbursement agreement between the municipality or county and
1-39 [with] the person who acquires, installs, or constructs the
1-40 improvements [contracts to install or construct the improvement for
1-41 which the costs apply];

1-42 (2) as provided by a temporary note or time warrant
1-43 issued by the municipality or county and payable to the [reimburse
1-44 a] person who acquires, installs, or constructs the improvements
1-45 [for money advanced or work performed in connection with an
1-46 improvement]; or

1-47 (3) by the issuance and sale of [revenue or general
1-48 obligation] bonds under Section 372.024.

1-49 (d-1) An installment sales contract, reimbursement
1-50 agreement, temporary note, or time warrant described by Subsection
1-51 (d) may be assigned by the payee without the consent of the
1-52 municipality or county.

1-53 (e) The [net effective] interest rate[, as computed for a
1-54 public security under Section 1204.005, Government Code,] on unpaid
1-55 amounts due under an installment sales contract, reimbursement
1-56 agreement, temporary note, or time warrant described by [money owed
1-57 or paid under] Subsection (d):

1-58 (1) may not exceed, for a period of not more than five
1-59 years, as determined by the governing body of the municipality or
1-60 county, five [one-half of one] percent above the highest average
1-61 index [interest] rate for tax-exempt bonds reported in a daily or
1-62 [by a newspaper in a] weekly bond index approved by the governing
1-63 body and reported in the month before the date the obligation was
1-64 incurred; and

2-12 (2) under a single installment sales contract,
2-13 reimbursement agreement, temporary note, or time warrant [an
2-14 agreement with a person who contracts to install or construct the
2-15 improvement and who sells the improvement to the municipality or
2-16 county].

2-19 SECTION 3. This Act takes effect immediately if it receives
2-20 a vote of two-thirds of all the members elected to each house, as
2-21 provided by Section 39, Article III, Texas Constitution. If this
2-22 Act does not receive the vote necessary for immediate effect, this
2-23 Act takes effect September 1, 2011.

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