

1-1 By: Creighton S.B. No. 1014  
1-2 (In the Senate - Filed February 22, 2017; March 6, 2017,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; April 19, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
1-6 April 19, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1014 By: Lucio

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to The Woodlands Township.  
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-21 SECTION 1. Section 8(e), Chapter 289, Acts of the 73rd  
1-22 Legislature, Regular Session, 1993, is amended to read as follows:  
1-23 (e) A vacancy in the office of director shall be filled by  
1-24 appointment of a qualified individual by a majority vote of the  
1-25 remaining directors[, ~~except that if the number of directors for  
1-26 any reason is less than four, on petition of a resident of or owner  
1-27 of real property in the district, the commission shall appoint the  
1-28 required number of qualified individuals to fill the vacancies~~].  
1-29 SECTION 2. Section 11C(p), Chapter 289, Acts of the 73rd  
1-30 Legislature, Regular Session, 1993, is amended to read as follows:  
1-31 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,  
1-32 apply to the district, except that for purposes of this subsection:  
1-33 (1) a reference in those sections to a municipality  
1-34 means the district and the development zone;  
1-35 (2) a reference in those sections to an ordinance  
1-36 means an order;  
1-37 (3) a reference in those sections to a reinvestment  
1-38 zone means a development zone;  
1-39 (4) a reference in those sections to an agreement made  
1-40 under Subsection (b), Section 311.010, Tax Code, means an agreement  
1-41 made under Subsection (1) of this section;  
1-42 (5) "development" means initial development;  
1-43 (6) "redevelopment" means substantial redevelopment;  
1-44 (7) Section 311.016, Tax Code, applies only if ad  
1-45 valorem taxes are used, in whole or in part, in payment of project  
1-46 costs of a development zone; and  
1-47 (8) a development zone created without a duration or  
1-48 date of termination may be dissolved by a two-thirds vote of the  
1-49 board of directors of the district or of the governing body of a  
1-50 municipality or other form of local government, other than the  
1-51 development zone, succeeding to the principal assets, powers,  
1-52 functions, and liabilities of the district, but only if:  
1-53 (A) the development zone has no outstanding  
1-54 indebtedness or other obligations; or  
1-55 (B) the assets, powers, functions, and  
1-56 liabilities, and any outstanding indebtedness or obligations, of  
1-57 the development zone are expressly assumed by the district or the  
1-58 succeeding municipality or local government.  
1-59 SECTION 3. Chapter 289, Acts of the 73rd Legislature,  
1-60 Regular Session, 1993, is amended by adding Section 14A to read as

2-1 follows:  
2-2 Sec. 14A. INCORPORATION. (a) This section prevails over  
2-3 any other provision of this Act that conflicts with or is  
2-4 inconsistent with this section.

2-5 (b) Except as provided by Subsections (c) and (f) of this  
2-6 section, and subject to any applicable limitations of the  
2-7 constitution of this state, if the incorporation of at least 99  
2-8 percent of the territory of the district and the transfer of the  
2-9 rights, powers, privileges, duties, purposes, functions, and  
2-10 responsibilities of the district and the district's authority to  
2-11 issue bonds and impose a tax to the municipality are approved by a  
2-12 majority of the voters voting in an election held for that purpose,  
2-13 including an election described by Section 9(h)(2) of this Act:

2-14 (1) the assets, liabilities, obligations, rights,  
2-15 powers, privileges, duties, purposes, functions, and  
2-16 responsibilities of the district and the district's authority to  
2-17 issue bonds and impose a tax are transferred to the municipality;  
2-18 and

2-19 (2) the district is dissolved.

2-20 (c) If on the date the incorporation of the territory of the  
2-21 district is approved at an election described by Subsection (b) of  
2-22 this section the district owes any debt that cannot be transferred  
2-23 to the municipality, the district is continued until the debt is  
2-24 retired or is restructured in a manner that the debt may be  
2-25 transferred to the municipality.

2-26 (d) If the conditions described by Subsection (c) of this  
2-27 section are met:

2-28 (1) the board shall adopt an order certifying that the  
2-29 conditions have been met; and

2-30 (2) on the effective date of the order:

2-31 (A) the assets, liabilities, obligations,  
2-32 rights, powers, privileges, duties, purposes, functions, and  
2-33 responsibilities of the district and the district's authority to  
2-34 issue bonds and impose a tax are transferred to the municipality;  
2-35 and

2-36 (B) the district is dissolved.

2-37 (e) In addition to any other restructuring methods  
2-38 permitted by law, the district may restructure its outstanding debt  
2-39 for the purpose of transferring the debt to the municipality by  
2-40 issuing refunding bonds secured by:

2-41 (1) a limited pledge of ad valorem tax revenue not  
2-42 greater than that authorized to be levied by the municipality;

2-43 (2) a pledge of one or more other sources of revenue  
2-44 available to the district that are also available to the  
2-45 municipality under this section or general law; or

2-46 (3) a pledge of a combination of revenues described by  
2-47 Subdivisions (1) and (2) of this subsection.

2-48 (f) The transfer of assets, liabilities, obligations,  
2-49 rights, powers, privileges, duties, purposes, functions, and  
2-50 responsibilities of the district and the district's authority to  
2-51 issue bonds and impose a tax to the municipality under this section  
2-52 is effective regardless of whether the boundaries of the  
2-53 municipality are coterminous with the boundaries of the district,  
2-54 unless the transfer would materially impair the security for a debt  
2-55 transferred to the municipality. If the transfer would materially  
2-56 impair the security for a debt transferred to the municipality, the  
2-57 debt must be restructured in the manner provided by this section  
2-58 before the transfer may occur.

2-59 SECTION 4. Subtitle X, Title 6, Special District Local Laws  
2-60 Code, is amended by adding Chapter 11011 to read as follows:

2-61 CHAPTER 11011. THE WOODLANDS TOWNSHIP

2-62 Sec. 11011.001. DEFINITION. In this chapter, "district"  
2-63 means The Woodlands Township.

2-64 Sec. 11011.002. LAW GOVERNING DISTRICT. The district is  
2-65 governed by this chapter and Chapter 289, Acts of the 73rd  
2-66 Legislature, Regular Session, 1993.

2-67 Sec. 11011.003. DISSOLUTION OF DISTRICT. (a) If at least  
2-68 99 percent of the territory of the district is incorporated and the  
2-69 district is dissolved in the manner provided by Section 14A,

3-1 Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993,  
3-2 only the following sections of Chapter 289, Acts of the 73rd  
3-3 Legislature, Regular Session, 1993, apply to the municipality in  
3-4 addition to any applicable general law provisions, a reference in  
3-5 those sections to the district means the municipality, and a  
3-6 reference in those sections to the board or board of directors means  
3-7 the governing body of the municipality:

- 3-8 (1) Sections 6(a) and (c);
- 3-9 (2) Sections 7(a), (b), (c), (e), (f), (g), (h), (i),  
3-10 (j), (l), (n), (o), (p), (q), (r), (t), (u), (v), (w), (y), (z), and  
3-11 (aa);
- 3-12 (3) Section 7H;
- 3-13 (4) Sections 9(h)(3), (4), and (5);
- 3-14 (5) Section 11;
- 3-15 (6) Section 11A;
- 3-16 (7) Section 11B;
- 3-17 (8) Section 11B-1;
- 3-18 (9) Section 11C;
- 3-19 (10) Sections 12A(a), (c), (d), (e), and (f); and
- 3-20 (11) Section 13.

3-21 (b) The remaining provisions of Chapter 289, Acts of the  
3-22 73rd Legislature, Regular Session, 1993, do not apply to the  
3-23 municipality after the dissolution of the district.

3-24 SECTION 5. (a) The legal notice of the intention to  
3-25 introduce this Act, setting forth the general substance of this  
3-26 Act, has been published as provided by law, and the notice and a  
3-27 copy of this Act have been furnished to all persons, agencies,  
3-28 officials, or entities to which they are required to be furnished  
3-29 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3-30 Government Code.

3-31 (b) The governor, one of the required recipients, has  
3-32 submitted the notice and Act to the Texas Commission on  
3-33 Environmental Quality.

3-34 (c) The Texas Commission on Environmental Quality has filed  
3-35 its recommendations relating to this Act with the governor,  
3-36 lieutenant governor, and speaker of the house of representatives  
3-37 within the required time.

3-38 (d) The general law relating to consent by political  
3-39 subdivisions to the creation of districts with conservation,  
3-40 reclamation, and road powers and the inclusion of land in those  
3-41 districts has been complied with.

3-42 (e) All requirements of the constitution and laws of this  
3-43 state and the rules and procedures of the legislature with respect  
3-44 to the notice, introduction, and passage of this Act have been  
3-45 fulfilled and accomplished.

3-46 SECTION 6. This Act takes effect immediately if it receives  
3-47 a vote of two-thirds of all the members elected to each house, as  
3-48 provided by Section 39, Article III, Texas Constitution. If this  
3-49 Act does not receive the vote necessary for immediate effect, this  
3-50 Act takes effect September 1, 2017.

3-51 \* \* \* \* \*