

By: Eissler

H.B. No. 4782

Substitute the following for H.B. No. 4782:

By: Frost

C.S.H.B. No. 4782

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the administration, powers and duties, operations, and  
3 financing of The Woodlands Township.

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

5 SECTION 1. Section 1(c), Chapter 289, Acts of the 73rd  
6 Legislature, Regular Session, 1993, is amended to read as follows:

7 (c) The name of the district may be changed by resolution of  
8 the board of directors of the district at any time. A reference in  
9 this Act to the district means the name of the district as changed.

10 SECTION 2. Section 7, Chapter 289, Acts of the 73rd  
11 Legislature, Regular Session, 1993, is amended by adding  
12 Subsections (s), (t), (u), (v), (w), (x), (y), (z), (aa), (bb),  
13 (cc), and (dd) to read as follows:

14 (s) The district may make, enter into, and enforce tax  
15 abatement agreements in the same manner as other taxing units under  
16 Chapter 312, Tax Code. Before an ad valorem tax is first imposed,  
17 the district may enter into a tax abatement agreement with the owner  
18 of property subject to a tax abatement agreement with a county in  
19 which any part of the district is located. The agreement may provide  
20 for the parties to be bound by the same terms as the county  
21 agreement for the remaining term of the county agreement and  
22 provide for the same share of the property exempted by the county  
23 agreement to be exempted from taxation by the district in each  
24 remaining year of the county agreement.

1                   (t) In order to promote business retention, sustain  
2 employment, and prevent substandard and blighted housing  
3 conditions, the district may:

4                   (1) except as otherwise provided by this subsection  
5 and in the same manner as a qualified association, assume, accept an  
6 assignment of, succeed to, or contract to undertake, exercise, or  
7 perform:

8                   (A) all or part of the rights, powers,  
9 privileges, duties, responsibilities, assets, liabilities, and  
10 obligations of a qualified association under community covenants;

11                   (B) any contracts, agreements, leases,  
12 commitments, loans, pledges, instruments of indebtedness, or other  
13 undertakings with any person, regardless of whether the person is a  
14 qualified association, in the exercise of the rights, powers,  
15 privileges, duties, or responsibilities described by Paragraph  
16 (A);

17                   (C) the administration, enforcement, amendment,  
18 supplementation, repeal, revocation, or rescission of a community  
19 covenant as provided by the covenant; or

20                   (D) the functions, duties, and responsibilities  
21 of the board of directors of a qualified association, without the  
22 necessity of electing or appointing members of the board of  
23 directors of the qualified association;

24                   (2) administer and perform procedures established in a  
25 community covenant or a related agreement for the selection or  
26 appointment of members or officers to committees, village  
27 association governing bodies, or similar positions;

1                   (3) arrange or contract with one or more  
2                   municipalities, political subdivisions, or nonprofit organizations  
3                   for the provision of services and facilities to all or part of the  
4                   territory in or adjacent to the district that are substantially  
5                   equivalent to the services or facilities provided by the district  
6                   or a qualified association in the district, provided that the  
7                   district may not transfer, assign, or abrogate responsibility for  
8                   the administration or enforcement of any land use restrictions or  
9                   negative covenants included in a community covenant that apply to  
10                   land in or adjacent to the district;

11                   (4) own, acquire, construct, improve, repair,  
12                   rehabilitate, operate, maintain, lease, purchase, sell, dispose  
13                   of, encumber, abandon, or remove:

14                   (A) any buildings, improvements, or facilities;  
15                   or

16                   (B) any real, personal, or mixed property; and

17                   (5) assess, charge, collect, pledge, encumber, and  
18                   apply any fees, rents, charges, or proceeds received for the use,  
19                   enjoyment, or disposition of a building, improvement, facility, or  
20                   property or for a service or facility.

21                   (u) The actions and proceedings of the district and the  
22                   board of directors under Subsection (t) of this section are  
23                   governmental functions. Title 11, Property Code, does not apply to  
24                   the district. This Act may not be construed as constituting a  
25                   waiver of governmental or sovereign immunity from suit, liability,  
26                   or judgment.

27                   (v) In this section:

1                   (1) "Qualified association" means a nonprofit  
2 property owners' association created and operated by a planned  
3 community, as that term is defined by Section 43.0754, Local  
4 Government Code.

5                   (2) "Community covenant" means recorded land use  
6 restrictions and covenants applicable to a planned community, as  
7 that term is defined by Section 43.0754, Local Government Code.

8                   (w) The district may develop and maintain and may sell,  
9 lease, encumber, abandon, or dispose of recreational facilities,  
10 including an open space and a related street, sidewalk, path,  
11 building, structure, improvement, or appurtenance. Subchapter N,  
12 Chapter 49, Water Code, does not apply to the district, except that  
13 the terms "develop and maintain" and "recreational facilities" have  
14 the meanings assigned by Section 49.462 of that chapter.

15                   (x) The district is a special district but is treated as a  
16 conservation and reclamation district that is entitled to  
17 participate in the election of the board of directors of an  
18 appraisal district for the purposes of Section 6.03, Tax Code.

19                   (y) The district and a county tax assessor-collector may  
20 contract for the collection of the delinquent assessments of a  
21 qualified association for which the district has been assigned and  
22 has assumed the duties, functions, and responsibilities. The  
23 assessments may be collected through the use of the county's tax  
24 billing and collection procedures or other mutually agreeable  
25 means. A suit for collection of delinquent assessments under this  
26 subsection:

27                   (1) has the same priority and preference as a

1 delinquent tax collection suit; and

2                   (2) shall be conducted in the same manner as a  
3 delinquent tax collection suit.

4                   (z) The district has the same rights and powers as a  
5 municipality annexing territory in a district that provides  
6 emergency services to cause all or part of the territory of the  
7 district to be removed from the district providing emergency  
8 services.

9                   (aa) The board of directors by resolution may cause district  
10 territory described in the resolution to be removed from the  
11 boundaries and taxing jurisdiction of a transit authority whose  
12 territory overlaps the district's territory if the district and a  
13 municipality enter into a regional participation agreement under  
14 Section 43.0754, Local Government Code, that requires the district  
15 to deposit money into a regional participation fund for the  
16 purpose, among others, of funding mobility projects of mutual  
17 benefit to the district and municipality. A removal of territory  
18 under this subsection takes effect on the date the board provides a  
19 certified copy of the resolution to:

20                   (1) the transit authority; and  
21                   (2) the comptroller.

22                   (bb) Subject to approval by the county, the district by  
23 rule, order, or resolution may, in the same manner provided for a  
24 municipality by Chapter 393, Transportation Code, and Section  
25 216.901, Local Government Code:

26                   (1) prohibit, regulate, or authorize placement of  
27 signs on the right-of-way of a road or highway maintained by the

1 county within the district, other than standard traffic control or  
2 directional signs; or  
3                   (2) administer a kiosk program as provided by Section  
4 393.0026, Transportation Code.

5                   (cc) The district may enter into an interlocal agreement  
6 with the county under which the county grants the district  
7 permission to prohibit, regulate, or authorize placement of a  
8 specific type or class of sign on the right-of-way of a highway that  
9 is maintained by the county and located within the district.

10                  (dd) Subsections (bb) and (cc) do not apply to a sign  
11 regulated by another municipality, if all or part of the territory  
12 of the district is incorporated, that is located within the  
13 exclusive extraterritorial jurisdiction of that other  
14 municipality.

15                  SECTION 3. Section 7F, Chapter 289, Acts of the 73rd  
16 Legislature, Regular Session, 1993, is amended by amending  
17 Subsections (a) and (c) and adding Subsections (d), (e), (f), and  
18 (g) to read as follows:

19                  (a) In this section:

20                   (1) "Fire-fighting services" has the meaning assigned  
21 by Section 49.351(k), Water Code.

22                   (2) "Fire [, "fire] protection personnel" has the  
23 meaning assigned by Section 419.021, Government Code, except that a  
24 reference to a fire department includes a nonprofit corporation  
25 employing fire protection personnel and providing fire-fighting  
26 services that is owned, operated, or controlled by the district.

27                  (c) Before January 1, 2012 [2010], the district may not

1 directly employ any fire protection personnel but may own, operate,  
2 or control a nonprofit corporation employing fire protection  
3 personnel and providing fire-fighting services. This subsection  
4 expires February [January] 1, 2012 [2010].

5 (d) Except as provided by Subsection (c), a district may:

6 (1) directly, or through a nonprofit corporation  
7 created, funded, owned, operated, or controlled by the district,  
8 establish, acquire, operate, and maintain a fire department to  
9 perform fire-fighting services in or adjacent to the district; and  
10 (2) issue public securities, including public  
11 securities approved by district voters and payable wholly or partly  
12 from ad valorem taxes, to finance the construction, acquisition,  
13 improvement, renovation, repair, or rehabilitation of any related  
14 buildings, facilities, interests in land, equipment, or supplies.

15 (e) Subchapter L, Chapter 49, Water Code, does not apply to  
16 the district.

17 (f) Unless other law requires a prior election, the district  
18 shall hold an election to determine whether the district shall  
19 adopt the provisions of Chapter 174, Local Government Code, if the  
20 district receives a timely petition signed by a majority of the fire  
21 protection personnel of the fire department of the district or of  
22 any nonprofit corporation owned, operated, or controlled by the  
23 district. On receipt and verification of the petition, the  
24 district shall hold the election on a uniform election date that  
25 occurs not later than the date of the last authorized uniform  
26 election date in 2011 and shall conduct the election in compliance  
27 with applicable law and Chapter 174, Local Government Code. This

1 subsection expires January 1, 2012.

2       (g) If an election is called under Subsection (f) of this  
3 section and a majority of the voters voting in the election approve  
4 the adoption by the district of the provisions of Chapter 174, Local  
5 Government Code, the provisions of that chapter shall be binding on  
6 the district when the district, or any municipality or other form of  
7 local government succeeding to the principal assets, functions, and  
8 liabilities of the district, directly employs fire protection  
9 personnel. The results of the election shall continue in effect  
10 unless the adoption of Chapter 174, Local Government Code, is  
11 repealed in the manner provided by that chapter. A collective  
12 bargaining agreement made and entered into by the district under  
13 Chapter 174, Local Government Code, shall be binding on a successor  
14 municipality or local government.

15       SECTION 4. Chapter 289, Acts of the 73rd Legislature,  
16 Regular Session, 1993, is amended by adding Sections 7H and 7I to  
17 read as follows:

18       Sec. 7H. CREATION OF EMERGENCY SERVICES DISTRICT. (a)  
19 Notwithstanding Chapter 775, Health and Safety Code, on receipt of  
20 an ordinance or resolution adopted by a municipality adjacent to  
21 the district requesting that action, the board, instead of the  
22 commissioners court of the county, may conduct a public hearing on  
23 the creation and establishment of an emergency services district to  
24 be located:

25       (1) wholly in one county;  
26       (2) wholly within the corporate limits or  
27 extraterritorial jurisdiction of the requesting municipality; and

1                   (3) outside the boundaries of any existing emergency  
2 services district.

3                   (b) The request from the municipality must include:

4                   (1) the elements required to be included in a petition  
5 for creation under Sections 775.013(a) and (a-1), Health and Safety  
6 Code; and

7                   (2) an agreement between the district and the  
8 requesting municipality that the municipality will pay all costs of  
9 the district related to the request.

10                   (c) Not later than the 21st day before the date of the  
11 hearing, the district shall publish at least once in a newspaper of  
12 general circulation in the requesting municipality a notice of the  
13 hearing containing the information required under Section  
14 775.015(c), Health and Safety Code.

15                   (d) The board shall conduct the hearing in the same manner  
16 as provided for the commissioners court by Section 775.016, Health  
17 and Safety Code. If after the hearing the board determines that  
18 creation of the emergency services district is feasible and will  
19 promote the public safety, welfare, health, and convenience of  
20 persons residing in and adjacent to the proposed emergency services  
21 district, the board, subject to Subsection (e) of this section,  
22 shall grant the request and fix the boundaries of the emergency  
23 services district.

24                   (e) The requesting municipality may order an election to  
25 confirm the creation of the emergency services district and to  
26 authorize the imposition of a tax not to exceed the rate allowed by  
27 Section 48-e, Article III, Texas Constitution. The emergency

1    services district is created and shall organize and operate under  
2    Chapter 775, Health and Safety Code, if a majority of the voters  
3    voting in the election approve the creation of the emergency  
4    services district.

5            (f) The governing body of the requesting municipality shall  
6    appoint the initial and successor emergency services commissioners  
7    for the emergency services district in the same manner as a  
8    commissioners court appoints emergency services commissioners  
9    under Section 775.034, Health and Safety Code, except that:

10            (1) the governing body shall appoint only three  
11    emergency services commissioners who shall serve as the governing  
12    body of the emergency services district; and

13            (2) the emergency services commissioners shall serve  
14    staggered two-year terms.

15            (g) To be eligible for appointment to the board of emergency  
16    services commissioners, a person must:

17            (1) be at least 18 years of age;  
18            (2) be a citizen of this state; and  
19            (3) reside within the requesting municipality or the  
20    emergency services district.

21            (h) At least two of the emergency services commissioners  
22    must reside in the emergency services district at all times.

23            (i) An emergency services commissioner is not entitled to  
24    compensation or per diem allowances but is entitled to  
25    reimbursement of reasonable expenses incurred in performing the  
26    duties of an emergency services commissioner.

27            (j) A concurrence of two emergency services commissioners

1 is necessary in any matter relating to the business of the emergency  
2 services district. The offices of secretary and treasurer of the  
3 board of emergency services commissioners shall be combined, and an  
4 assistant treasurer may not be elected.

5 (k) Section 775.076(a-1), Health and Safety Code, does not  
6 apply to an emergency services district created under this section.

7 (1) The emergency services district may be dissolved and  
8 abolished only on official action of the governing body of the  
9 municipality and on assumption by the municipality of all of the  
10 assets and liabilities of the emergency services district. The  
11 municipality may dissolve and abolish the emergency services  
12 district:

13 (1) by removing all territory from the emergency  
14 services district; or

15 (2) after receiving a petition signed by not less than  
16 10 percent of the registered voters in the emergency services  
17 district requesting dissolution and abolition of the emergency  
18 services district.

19 Sec. 7I. EVENT ADMISSIONS TAX. (a) In this section:

20 (1) "Cultural education" means the exhibition or  
21 promotion of or education about the performing, dramatic, visual,  
22 literary, or fine arts, including historical, geological,  
23 archeological, or paleontological sciences, and history, natural  
24 history, scientific, cultural, ethnic, or heritage education  
25 meeting local community standards in the district.

26 (2) "Event" means any performance, exhibition,  
27 showing, or similar presentation at a venue for which an admission

1 fee or charge is imposed by the venue user, including a cultural  
2 education event.

3                   (3) "Venue" means an indoor or outdoor theater, music,  
4 exhibition, rehearsal, or concert hall, opera house, auditorium,  
5 park, zoo, museum, aquarium, plaza, civic center, or similar  
6 building or forum in the district, other than a motion picture  
7 theater, regardless of whether the district owns, operates, leases,  
8 finances, or uses the venue.

9                   (4) "Venue user" means an owner, lessee, operator, or  
10 other user of a venue that:

11                   (A) is not a governmental entity; and  
12                   (B) presents more than four events in a calendar  
13 year.

14                   (b) The district by order may impose a tax on each ticket  
15 sold as admission to an event held at a venue.

16                   (c) The amount of the tax may be imposed at any uniform  
17 percentage not to exceed five percent of the price of the ticket  
18 sold as admission to an event held at a venue.

19                   (d) The district by order may increase, repeal, or decrease  
20 the rate of the tax imposed under this section.

21                   (e) The district by order may require the venue user to  
22 collect the tax for the benefit of the district.

23                   (f) A venue user required to collect the tax under this  
24 section shall add the tax to the admissions price, and the tax is a  
25 part of the admissions price, is a debt owed to the venue user by the  
26 person admitted, and is recoverable at law in the same manner as the  
27 admissions price.

1        (g) The tax imposed by this section is not an occupation tax  
2 imposed on the venue user.

3        (h) A tax imposed under this section or a change in a tax  
4 rate takes effect on the date prescribed by the order imposing the  
5 tax or changing the rate.

6        (i) A person required to collect a tax imposed under this  
7 section shall report and remit the taxes to the district as provided  
8 by order of the district.

9        (j) The district by order may prescribe penalties and  
10 interest charges for failure to keep records required by the  
11 district, to report when required, or to fully and timely collect or  
12 remit the tax. The district may bring suit against a person who  
13 fails to collect a tax under this section or to fully and timely  
14 remit the tax to the district.

15        (k) The district by order may permit a person who is  
16 required to collect a tax under this section to retain a percentage  
17 of the amount collected and required to be reported as  
18 reimbursement to the person for the costs of collecting the tax.  
19 The district may provide that the person may retain the amount only  
20 if the person pays the tax and files reports as required by the  
21 district.

22        (l) The district and any venue user may enter into an  
23 agreement for a term of not more than 20 years:

24        (1) providing for the payment or reimbursement, or the  
25 reservation of tax proceeds for the payment or reimbursement, to  
26 the venue user of all or any agreed portion of the venue user's  
27 actual costs of operations, maintenance, management, financing,

1 funding development, capital costs, debt service, or other actual  
2 costs of the production, promotion, or presentation of a cultural  
3 education event at the venue; and

4                   (2) containing any other terms, conditions, and  
5 provisions as may be considered necessary and appropriate to  
6 support cultural education in the district.

7                   (m) The proceeds received by the district from the tax  
8 authorized by this section may be used only to support cultural  
9 education in the district.

10                   (n) The district may continue to impose the tax authorized  
11 by this section after any contractual obligations have been  
12 fulfilled if the tax revenue is used to support cultural education.

13                   (o) An agreement entered into in anticipation of this  
14 section taking effect that otherwise meets the requirements of this  
15 section is not invalid because it was authorized, executed, or  
16 entered into before the effective date of this section.

17                   SECTION 5. Section 8(j), Chapter 289, Acts of the 73rd  
18 Legislature, Regular Session, 1993, is amended to read as follows:

19                   (j) Except as provided by Subsection (e) of this section, a  
20 majority of the total authorized number of [four] directors  
21 constitutes [constitute] a quorum for the consideration of all  
22 matters pertaining to the business of the district, and a  
23 concurrence of a majority of a quorum of directors shall be required  
24 for any official action of the district.

25                   SECTION 6. Section 9, Chapter 289, Acts of the 73rd  
26 Legislature, Regular Session, 1993, is amended by amending  
27 Subsection (g) and adding Subsection (l) to read as follows:

1 (g) After passage of the propositions in the confirmation  
2 election, as required by Subsection (e) of this section and Section  
3 7-a of this Act:

4 (1) an election shall be called for the uniform  
5 election date in May of the next even-numbered year for the election  
6 of five directors at large. The three candidates receiving the  
7 highest number of votes shall be elected for a term of three years,  
8 and the two candidates receiving the next highest number of votes  
9 shall be elected for a term of two years;

10 (2) an election shall be called for the uniform  
11 election date in May of the next succeeding even-numbered year  
12 after the election held under Subdivision (1) of this subsection,  
13 for the election of four directors by position ~~[at large]~~. Each of  
14 the ~~[The]~~ four candidates ~~[receiving the highest number of votes]~~  
15 ~~shall be~~] elected shall serve for a term of two years; and

16 (3) an election shall be called annually thereafter  
17 for the uniform election date in May of each year for the election  
18 by position of either three or four directors, as appropriate, to  
19 serve two-year terms.

20                   (1) An election held on the proposition of incorporating all  
21                   or part of the territory of the district under Subsection (h)(2) may  
22                   be held regardless of population or area limits described by  
23                   Section 5.901, Local Government Code, or other law, if the area to  
24                   be incorporated has a population of 5,000 or more inhabitants  
25                   according to the most recent federal decennial census or other  
26                   credible population records.

27 SECTION 7. Chapter 289, Acts of the 73rd Legislature,

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1 Regular Session, 1993, is amended by adding Section 11B-1 to read as  
2 follows:

3 Sec. 11B-1. SUPPLEMENTAL HOTEL OCCUPANCY TAX. (a) In  
4 addition to the tax authorized by Section 11A of this Act, but  
5 subject to Subsection (c), the board by order may impose, repeal,  
6 increase, or decrease a supplemental hotel occupancy tax in the  
7 same manner as the tax authorized by Section 11A. The rate of the  
8 supplemental tax may not exceed two percent of the price paid for a  
9 room in a hotel.

10 (b) The district shall apply the proceeds from the  
11 supplemental tax imposed under Subsection (a) solely for the  
12 purposes described by Sections 352.101(a) and 352.1015, Tax Code,  
13 provided that at least 75 percent of the proceeds from the  
14 supplemental tax, as determined on an annual average basis, must be  
15 used for the purpose of establishing, operating, and maintaining a  
16 convention and visitors bureau within or adjacent to the district.  
17 For purposes of this subsection, a reference in Section 352.101(a)  
18 or 352.1015, Tax Code, to a county, county officer, or  
19 commissioners court means the district, a district officer, or the  
20 board, as appropriate.

21 (c) The board may not impose the supplemental tax authorized  
22 by Subsection (a) before January 1, 2011. The board may impose the  
23 tax at a rate not to exceed one percent until December 31, 2011. On  
24 or after January 1, 2012, the board may impose the tax at a rate not  
25 to exceed two percent.

26 SECTION 8. Section 11C, Chapter 289, Acts of the 73rd  
27 Legislature, Regular Session, 1993, is amended by amending

1 Subsections (g), (k), and (p) and adding Subsections (g-1) and (s)  
2 to read as follows:

3 (g) Members of the governing body shall be appointed for a  
4 term of two years, except that:

5 (1) the appointment of the initial members of the  
6 governing body may provide for some terms to be limited to one year  
7 in order to achieve staggered terms of office; and

8 (2) the board by resolution may:

9 (A) extend the terms of office of members of the  
10 governing body beyond two years to the extent necessary to  
11 coordinate those terms with the next election of members of the  
12 board of directors; or

13 (B) provide for one-year terms of office for  
14 members of a subsequent governing body.

15 (g-1) The district by appointment shall fill a vacancy on  
16 the governing body of the zone for the unexpired portion of the  
17 term.

18 (k) A development zone created by the district under this  
19 section is a body politic and corporate and a political subdivision  
20 of the state, separate from the district. The district and the  
21 development zone have the same power and authority to carry out this  
22 section as Section 311.008, Tax Code, provides a municipality to  
23 carry out Chapter 311, Tax Code. In addition to the powers granted  
24 to the governing body by this section, the board by order may  
25 delegate, subject in whole or in part to final approval by the  
26 board, any powers and duties relating to the financing and  
27 implementation of the project plan for the zone, including the

1 power and authority to:

2 (1) issue tax increment bonds or notes for and in the  
3 name of the zone in the same manner as Section 311.015 [311.010],  
4 Tax Code, provides for a municipality, except that tax increment  
5 bonds or notes of the zone must mature in not more than 30 years, to  
6 fund any project of the zone and pay any related bond issuance and  
7 bond reserve costs or to refund any bonds, notes, contractual  
8 obligations, commitments, or undertakings of the zone, including  
9 the reimbursement to any person for project costs and related  
10 interest for which the zone would have been authorized to issue its  
11 bonds or notes;

12 (2) pledge irrevocably all or part of the tax  
13 increment fund for the zone, as Section 311.015, Tax Code, provides  
14 for a municipality; and

15 (3) impose, assess, and collect ad valorem taxes,  
16 assessments, and other charges in the zone, as Chapter 375, Local  
17 Government Code, provides for municipal management districts, as  
18 well as the incremental sales and use tax authorized by this  
19 section, if the ad valorem tax or incremental sales and use tax has  
20 been approved by the qualified voters of the district at an election  
21 called and held for that purpose.

22 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,  
23 apply to the district, except that for purposes of this subsection:

24 (1) a reference in those sections to a municipality  
25 means the district and the development zone;

26 (2) a reference in those sections to an ordinance  
27 means an order;

1 (3) a reference in those sections to a reinvestment  
2 zone means a development zone;

3 (4) a reference in those sections to an agreement made  
4 under Subsection (b), Section 311.010, Tax Code, means an agreement  
5 made under Subsection (1) of this section;

6 (5) "development" means initial development;

7 (6) "redevelopment" means substantial redevelopment;

8 [ and ]

20 (B) the assets, powers, functions, and  
21 liabilities, and any outstanding indebtedness or obligations of the  
22 development zone are expressly assumed by the district or the  
23 succeeding municipality or local government.

24        (s) The district or a municipality or other local government  
25        succeeding to the principal assets, powers, functions, and  
26        liabilities of the district may assume, exercise, perform, and  
27        discharge the assets, powers, functions, and liabilities of a

1 development zone in the same manner, to the same extent, and for the  
2 same purposes as a development zone created under this section.

3 SECTION 9. The heading to Section 12A, Chapter 289, Acts of  
4 the 73rd Legislature, Regular Session, 1993, is amended to read as  
5 follows:

6 Sec. 12A. PUBLIC SECURITIES [BONDS].

7 SECTION 10. Section 12A, Chapter 289, Acts of the 73rd  
8 Legislature, Regular Session, 1993, is amended by amending  
9 Subsections (a) and (c) and adding Subsections (d), (e), and (f) to  
10 read as follows:

11 (a) The board may issue, sell, and deliver the public  
12 securities [bonds] of the district in the manner provided by this  
13 section or other applicable law, including Chapter 1371, Government  
14 Code, and Subchapter J, Chapter 375, Local Government Code, for any  
15 district purpose or to finance or pay for any district facilities,  
16 programs, or improvement projects [project], including for the  
17 purpose of making or providing for payment of any amounts due or to  
18 become due from the district under a regional participation  
19 agreement authorized by this Act or other law, to refund or  
20 refinance any public security or other contract, agreement,  
21 commitment, or undertaking of the district in payment of which the  
22 district could have issued its public securities, or to fund or pay  
23 for any reserve fund or issuance expenses related to the public  
24 securities. The public securities [which] shall be deemed to be in  
25 furtherance of a program authorized pursuant to Section 52-a,  
26 Article III, Texas Constitution[ in the manner provided by  
27 Subchapter J, Chapter 375, Local Government Code]. Sections

1 375.207 and 375.208, Local Government Code, do not apply to public  
2 securities [bonds] issued by the district under this Act.

3 (c) In addition to the sources of money described by  
4 Subchapter J, Chapter 375, Local Government Code, the public  
5 securities [bonds] of the district may be secured and made payable,  
6 wholly or partly, by a pledge of any part of the net proceeds the  
7 district receives from:

8 (1) a specified portion, but not more than one-half of  
9 one percent, of the sales and use tax authorized by Section 11 of  
10 this Act;

11 (2) the hotel occupancy tax authorized by Section 11A  
12 of this Act;

13 (3) an ad valorem tax approved by the voters of the  
14 district at an election called for that purpose;

15 (4) any revenues, receipts, fees, charges, income,  
16 funds, or proceeds received or to be received by the district from  
17 refunding public securities, contracts, agreements, or other  
18 [lawful] sources, including a contract with a development zone to  
19 facilitate an improvement project or project plan of the district  
20 or the development zone; or

21 (5) [any other revenues, income, or proceeds that in  
22 accordance with this Act or other law may be pledged or used for  
23 purposes described by Subdivision (4) of this subsection; or

24 [+] any combination of revenues, taxes, or proceeds  
25 from one or more of the sources described by Subdivisions (1)-(4)  
26 [+(1)-(5)] of this subsection.

27 (d) The board of directors or an officer or employee of the

1 district to whom the board delegates authority may sell a district  
2 public security at a public or private sale in the form, at the  
3 price, on the terms and conditions, at the interest rate or rates,  
4 whether fixed, variable, floating, adjustable, or otherwise, as the  
5 board determines appropriate. The net effective interest rate of  
6 the public securities under this section may not exceed the maximum  
7 rate allowed by law.

8       (e) The board may secure a district public security with a  
9 security agreement, credit agreement, or both, with the security  
10 interest or interests, other than a mortgage interest in real  
11 property, and with the parity or priority of pledge and lien as the  
12 board determines appropriate.

13       (f) In this section:

14           (1) "Public security" has the meaning assigned by  
15 Section 1201.002, Government Code.

16           (2) "Credit agreement," "security agreement," and  
17 "security interest" have the meanings assigned by Section 1208.001,  
18 Government Code.

19       SECTION 11. (a) The legislature ratifies and confirms all  
20 governmental acts and proceedings of The Woodlands Township and its  
21 board and of The Woodlands Township Economic Development Zone and  
22 its governing body before the effective date of this Act, in:

23           (1) calling, holding, conducting, and declaring the  
24 results of the confirmation and tax election held in the district on  
25 November 6, 2007;

26           (2) conditionally enlarging the boundaries and  
27 increasing the number of eligible voters of the district for

1 conducting the election described by Subdivision (1);  
2 (3) changing the name of the district to The Woodlands  
3 Township;

4 (4) describing the boundaries of the district for any  
5 purpose, including the election described by Subdivision (1);

6 (5) creating, establishing, organizing, and  
7 describing the boundaries of The Woodlands Township Economic  
8 Development Zone;

9 (6) dissolving, abolishing, and transferring the  
10 funds, assets, liabilities, and obligations of all existing  
11 economic development zones overlapped by The Woodlands Township  
12 Economic Development Zone;

13 (7) imposing and collecting an incremental sales and  
14 use tax by The Woodlands Township Economic Development Zone; and

15 (8) conditionally excluding territory from the  
16 boundaries of The Woodlands Township Economic Development Zone and  
17 reserving the right to repeal or rescind the exclusion.

18 (b) Subsection (a) does not apply to a matter that on the  
19 effective date of this Act:

20 (1) is involved in litigation, if the litigation  
21 ultimately results in the matter being held invalid by a final court  
22 judgment; or

23 (2) has been held invalid by a final court judgment.

24 SECTION 12. The provisions of this Act are severable. If any  
25 word, phrase, clause, sentence, section, provision, or part of this  
26 Act is held invalid or unconstitutional, it shall not affect the  
27 validity of the remaining portions, and it is declared to be the

1 legislative intent that this Act would have been passed as to the  
2 remaining portions regardless of the invalidity of any part.

3 SECTION 13. (a) The legislature finds that the powers,  
4 authority, and functions of the district authorized by this Act are  
5 essential and beneficial to the district and to the state as a whole  
6 as a program for promoting, facilitating, and accomplishing the  
7 public purposes of Section 52-a, Article III, Texas Constitution,  
8 by:

9 (1) promoting, sustaining, and advancing employment  
10 and economic diversification and development in the state;

11 (2) sustaining and stimulating business in the state;

12 (3) conserving and sustaining property values and  
13 living conditions in the state;

14 (4) promoting traffic circulation and public safety in  
15 the state;

16 (5) promoting the development of parks, recreational  
17 facilities, and cultural education in the state; and

18 (6) serving other purposes beneficial to the state.

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

25 (c) The governor, one of the required recipients, has  
26 submitted the notice and Act to the Texas Commission on  
27 Environmental Quality.

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1                   (d) The Texas Commission on Environmental Quality has filed  
2 its recommendations relating to this Act with the governor,  
3 lieutenant governor, and speaker of the house of representatives  
4 within the required time.

5                   (e) All requirements of the constitution and laws of this  
6 state and the rules and procedures of the legislature with respect  
7 to the notice, introduction, and passage of this Act have been  
8 fulfilled and accomplished.

9                   SECTION 14. This Act takes effect immediately if it  
10 receives a vote of two-thirds of all the members elected to each  
11 house, as provided by Section 39, Article III, Texas Constitution.  
12 If this Act does not receive the vote necessary for immediate  
13 effect, this Act takes effect September 1, 2009.