

AN ACT

relating to the purpose, powers, and duties of Harris County Improvement District No. 1; authorizing the issuance of bonds.

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

SECTION 1. The legislature finds that:

(1) the area within the boundaries of Harris County Improvement District No. 1 is one of the state's most dynamic activity centers and is the location of numerous commercial, office, retail, and residential buildings;

(2) the area within the district is served with an inadequate public transportation system and has an inadequate system of streets and public parking facilities;

(3) residents, workers, visitors, customers, and other persons accessing the area within the district must primarily use motor vehicles, and such use places an undue burden on the street system in the district and results in severe congestion that retards mobility of persons and property and impairs the use of the district area as one of the state's primary economic and business centers;

(4) the absence of an adequate system of parking facilities, including park and ride facilities, discourages the use of public transportation and further aggravates vehicular congestion within the area;

(5) motor vehicles are generally powered by internal

1 combustion engines that emit pollutants into the air, which results
2 in dangers to the public health and welfare;

3 (6) the proliferation of the use of motor vehicles for
4 passenger transportation within the district is caused in
5 substantial part by the absence of an adequate public
6 transportation system and an adequate system or network of public
7 parking facilities;

8 (7) provision of an adequate system of public parking
9 facilities and public transit and transportation facilities will
10 accomplish the public purposes of Section 52-a, Article III, Texas
11 Constitution, by stimulating transportation and commerce within
12 the area of the district and in the state and will serve the further
13 public purpose of reducing the pollutants discharged into the air
14 thus reducing the threat to the public health and welfare; and

15 (8) in order for the area within the district to have
16 an adequate public transit system and an adequate system of public
17 parking, it will be necessary for the district to be able to take
18 advantage of all public and private funds and opportunities
19 available and be empowered to contract with other public agencies
20 and with private entities to jointly provide such facilities.

21 SECTION 2. Chapter 1026, Acts of the 70th Legislature,
22 Regular Session, 1987, is amended by adding Section 5A to read as
23 follows:

24 Sec. 5A. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES.

25 (A) The district shall have the power to acquire, lease as lessor
26 or lessee, construct, develop, own, operate, and maintain a public
27 transit system to serve the area within the boundaries of the

1 district. Before the district may acquire, construct, or develop a
2 mass transit improvement or facility pursuant to this subsection,
3 there must be filed with the district a petition requesting the
4 improvement or facility executed by owners representing either a
5 majority in value or a majority in square footage of the real
6 property in the district abutting the right-of-way in which the
7 improvement or facility is proposed to be located. The calculation
8 of the property owners signing the petition, whether based on value
9 or square footage, shall be based on the landowners along the entire
10 right-of-way of the transit project and shall not be calculated on a
11 block by block basis.

12 (B) The district shall have the power to acquire, lease as
13 lessor or lessee, construct, develop, own, operate, and maintain
14 parking facilities or a system of parking facilities. Parking
15 facilities include lots, garages, parking terminals, or other
16 structures or accommodations for the parking of motor vehicles off
17 the streets and include equipment, entrances, exits, fencing, and
18 other accessories necessary for safety and convenience in the
19 parking of vehicles. All parking facilities of the district will
20 either be leased to or operated for the district by a private entity
21 or an entity other than the district. The district's parking
22 facilities will serve the public purposes expressed in Section 1 of
23 this Act and be owned, used, and held for public purposes even if
24 leased or operated by a private entity for a term of years, and the
25 district's public parking facilities and any lease to a private
26 entity will be exempt from the payment of ad valorem taxes and state
27 and local sales and use taxes.

1 (C) The district may use any of its resources, including
2 revenues, assessments, taxes, and grant or contract proceeds, to
3 pay the cost of acquiring and operating a public transit system or a
4 system of public parking facilities. The district may adopt rules
5 and regulations covering its public transit system and its public
6 parking system provided, however, that any rules relating to or
7 affecting the use of the public right-of-way or requirements for
8 off-street parking shall be subject to all applicable municipal
9 charter, code, and ordinance requirements. The district may set
10 and determine and the district may charge, impose, levy, and
11 collect fees, charges, and tolls for the use of the public transit
12 system or the public parking facilities and may issue bonds or notes
13 to finance the cost of these facilities. If the district pays for
14 or finances the cost of acquiring and operating a public transit
15 system or a system of public parking facilities with resources
16 other than assessments, then no petition of property owners or
17 public hearing thereon is required, just as no petition of property
18 owners and public hearing thereon is required for the provision of
19 all other district services and improvements not paid for or
20 financed with assessments. Notwithstanding this subsection, a
21 petition is required as provided in Subsection (A) of this section
22 before the district may construct transit improvements.

23 (D) The district is authorized to make contracts, leases,
24 and agreements with, and accept grants and loans from, the United
25 States of America, the state, municipalities, other political
26 subdivisions, and private persons or entities to carry out the
27 purposes of this Act upon such terms and conditions and for such

1 period of time as the governing body of the district may determine.

2 (E) If the district's acquisition of property for a parking
3 facility which is leased to or operated by a private entity results
4 in the removal from a taxing unit's tax rolls of real property
5 otherwise subject to ad valorem taxation, the district shall pay to
6 the taxing unit in which the property is located, on or before
7 January 1 of each year, as a payment in lieu of taxes, an amount
8 equal to the ad valorem taxes that otherwise would have been levied
9 for the preceding tax year on that real property by the taxing unit,
10 without including the value of any improvements constructed on the
11 property.

12 SECTION 3. (a) The legislature validates and confirms all
13 governmental acts and proceedings of Harris County Improvement
14 District No. 1 and the district's board of directors that occurred
15 before the effective date of this Act.

16 (b) This section does not apply to any matter that on the
17 effective date of this Act:

18 (1) is involved in litigation, if the litigation
19 ultimately results in the matter being held invalid by a final
20 judgment of a court of competent jurisdiction; or

21 (2) has been held invalid by a court of competent
22 jurisdiction.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2003.

David Newkirk
President of the Senate

Tom Collins
Speaker of the House

I hereby certify that S.B. No. 868 passed the Senate on April 3, 2003, by the following vote: Yeas 31, Nays 0. _____

Ratney Spaul
Secretary of the Senate

I hereby certify that S.B. No. 868 passed the House on April 14, 2003, by the following vote: Yeas 142, Nays 0, two present not voting. _____

Robert Nancy
Chief Clerk of the House

Approved:

24 Apr. '03
Date
RICK PERRY
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

Ann Shea
Secretary of State