

including any limitation on the price for which the housing unit may be sold, reduce the market value of the housing unit.

SECTION 5. This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 6. This Act takes effect January 1, 2012.

Passed the Senate on April 14, 2011: Yeas 31, Nays 0; passed the House on May 20, 2011: Yeas 146, Nays 3, one present not voting.

Approved June 17, 2011.

Effective January 1, 2012.

CHAPTER 384

S.B. No. 412

AN ACT

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

Be it enacted by the Legislature of the State of Texas:

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

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

(1) *a municipality or county;*

(2) *a political subdivision or other entity exercising the powers granted under this subchapter as authorized by other law; or*

(3) *an entity that:*

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

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

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

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

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

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

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

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

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

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

(2) after the period described by Subdivision (1), may not exceed two percent above the bond index rate described by Subdivision (1) ~~[of the contract or agreement or the issuance of the bond, temporary note, or time warrant. The newspaper must specialize in bonds and be acceptable as a reliable source for bond interest rates to the governing body of the municipality or county that enters into the contract or agreement or that issues the bond, temporary note, or time warrant].~~

(g) The cost of more than one improvement may be paid:

(1) from a single issue and sale of bonds without other consolidation proceedings before the bond issue; or

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

SECTION 2. Subsection (f), Section 372.023, Local Government Code, is repealed.

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

Passed the Senate on April 14, 2011: Yeas 31, Nays 0; passed the House on May 19, 2011: Yeas 147, Nays 1, one present not voting.

Approved June 17, 2011.

Effective June 17, 2011.

CHAPTER 385

S.B. No. 419

AN ACT

relating to prohibiting state funding to public junior colleges for physical education courses offered for joint high school and junior college credit.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subsection (c), Section 130.008, Education Code, is amended to read as follows:

(c) The contact hours attributable to the enrollment of a high school student in a course offered for joint high school and junior college credit under this section, *excluding a course for which the student attending high school may receive course credit toward the physical education curriculum requirement under Section 28.002(a)(2)(C)*, shall be included in the contact hours used to determine the junior college's proportionate share of the state money appropriated and distributed to public junior colleges under Sections 130.003 and 130.0031, even if the junior college waives all or part of the tuition or fees for the student under Subsection (b).

SECTION 2. This Act applies beginning with funding for the 2011 fall semester.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If