

BILL ANALYSIS

C.S.H.B. 4290
By: Thierry
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that an area in Houston would benefit from the creation of a municipal management district. C.S.H.B. 4290 seeks to provide for the creation of such a district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4290 amends the Special District Local Laws Code to create the Stadium Park Management District to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the location of improvement projects, the district's eligibility for inclusion in special zones, and the dissolution of the district. The bill sets out the district's powers and duties, which include, subject to certain requirements, the authority to enter into a tax abatement agreement, issue obligations, and impose assessments, property tax, user and concession fees, rental charges, and sales and use tax. The bill prohibits the district from exercising the power of eminent domain and from imposing an impact fee on certain residential property.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4290 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3950 to read as follows:
CHAPTER 3950. STADIUM PARK

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3950 to read as follows:
CHAPTER 3950. STADIUM PARK

MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3950.001. DEFINITIONS.

Sec. 3950.002. CREATION AND NATURE OF DISTRICT.

Sec. 3950.003. PURPOSE; LEGISLATIVE FINDINGS.

Sec. 3950.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3950.005. DISTRICT TERRITORY.

Sec. 3950.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3950.007. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3950.051. GOVERNING BODY;

MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3950.001. DEFINITIONS.

Sec. 3950.002. CREATION AND NATURE OF DISTRICT.

Sec. 3950.003. PURPOSE; LEGISLATIVE FINDINGS.

Sec. 3950.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3950.005. DISTRICT TERRITORY.

Sec. 3950.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code; or

(3) an enterprise zone created under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

(c) If the city creates a tax increment reinvestment zone under Chapter 311, Tax Code, the city, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Sec. 3950.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3950.008. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3950.051. GOVERNING BODY;

TERMS. (a) The district is governed by a board of nine voting directors who must be qualified under and appointed by the governing body of the city as provided by Subchapter D, Chapter 375, Local Government Code.

(b) The directors serve staggered terms of four years with four or five directors' terms expiring June 1 of each odd-numbered year.

Sec. 3950.052. DIRECTOR'S OATH OR AFFIRMATION.

Sec. 3950.053. QUORUM.

Sec. 3950.054. OFFICERS.

Sec. 3950.055. COMPENSATION; EXPENSES.

Sec. 3950.056. LIABILITY INSURANCE.

Sec. 3950.057. NO EXECUTIVE COMMITTEE.

Sec. 3950.058. BOARD MEETINGS.

Sec. 3950.059. INITIAL DIRECTORS. (a) The initial board consists of:

Pos. No. Name of Director

1	
2	
3	
4	
5	
6	
7	
8	
9	

(b) The terms of the initial directors expire June 1, 2019.

(c) Of the directors who replace an initial director, the terms of directors serving in positions 1 through 5 expire June 1, 2021, and the terms of directors serving in positions 6 through 9 expire June 1, 2023.

(d) Section 375.063, Local Government Code, does not apply to the initial directors named by Subsection (a).

(e) This section expires September 1, 2023.

SUBCHAPTER C. POWERS AND DUTIES

TERMS. (a) The district is governed by a board of 11 voting directors who must be qualified under and appointed by the governing body of the city as provided by Subchapter D, Chapter 375, Local Government Code.

(b) The directors serve staggered terms of four years with five or six directors' terms expiring June 1 of each odd-numbered year.

Sec. 3950.052. DIRECTOR'S OATH OR AFFIRMATION.

Sec. 3950.053. QUORUM.

Sec. 3950.054. OFFICERS.

Sec. 3950.055. COMPENSATION; EXPENSES.

Sec. 3950.056. LIABILITY INSURANCE.

Sec. 3950.057. NO EXECUTIVE COMMITTEE.

Sec. 3950.058. BOARD MEETINGS.

Sec. 3950.059. INITIAL DIRECTORS. (a) The initial board consists of:

Pos. No. Name of Director

1.	Gary Zimmerman;
2.	Chris Pappas;
3.	Al Kashani;
4.	Terence Fontaine;
5.	June Deadrick;
6.	Kevin Hoffman;
7.	Dallas Jones;
8.	Marchris Robinson;
9.	Jamey Rootes;
10.	Leroy Shafer;
11.	Ed Wulfe.

(b) The terms of the initial directors expire June 1, 2019.

(c) Of the directors who replace an initial director, the terms of directors serving in positions 1 through 5 expire June 1, 2021, and the terms of directors serving in positions 6 through 11 expire June 1, 2023.

(d) Section 375.063, Local Government Code, does not apply to the initial directors named by Subsection (a).

(e) This section expires September 1, 2023.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3950.101. GENERAL POWERS AND DUTIES.

Sec. 3950.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3950.103. LOCATION OF IMPROVEMENT PROJECT.

Sec. 3950.104. DEVELOPMENT CORPORATION POWERS.

Sec. 3950.105. NONPROFIT CORPORATION.

Sec. 3950.106. AGREEMENTS; GRANTS.

Sec. 3950.107. LAW ENFORCEMENT SERVICES.

Sec. 3950.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3950.109. ECONOMIC DEVELOPMENT.

Sec. 3950.110. DESIGNATION OF SPECIAL ZONES. (a) The district may designate all or any part of the area of the district, as if the district were a municipality, as:

(1) a tax increment reinvestment zone under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone under Chapter 312, Tax Code; or

(3) an industrial district under Chapter 42, Local Government Code.

(b) Section 311.006(b), Tax Code, does not apply to a tax increment reinvestment zone created by the district.

(c) The district may submit to the Texas Economic Development Bank a request for designation of a project or activity in the district as an enterprise project in the manner provided for a municipality to submit a request under Chapter 2303, Government Code.

(d) If the city creates a tax increment reinvestment zone under Chapter 311, Tax Code, the city, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for

Sec. 3950.101. GENERAL POWERS AND DUTIES.

Sec. 3950.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3950.103. LOCATION OF IMPROVEMENT PROJECT.

Sec. 3950.104. DEVELOPMENT CORPORATION POWERS.

Sec. 3950.105. NONPROFIT CORPORATION.

Sec. 3950.106. AGREEMENTS; GRANTS.

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Sec. 3950.109. ECONOMIC DEVELOPMENT.

money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Sec. 3950.111. CONCURRENCE ON ADDITIONAL POWERS.

Sec. 3950.112. NO EMINENT DOMAIN POWER.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3950.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3950.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3950.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

- (1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or
- (2) any other revenue or resources of the district, including revenues from a tax increment reinvestment zone.

Sec. 3950.154. COSTS FOR IMPROVEMENT PROJECTS.

Sec. 3950.155. TAX AND ASSESSMENT ABATEMENTS.

Sec. 3950.156. PROPERTY EXEMPT FROM IMPACT FEES.

SUBCHAPTER E. ASSESSMENTS

Sec. 3950.201. PETITION REQUIRED FOR FINANCING SERVICES AND

Sec. 3950.110. CONCURRENCE ON ADDITIONAL POWERS.

Sec. 3950.111. NO EMINENT DOMAIN POWER.

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- (1) the imposition of an ad valorem tax or sales and use tax or an assessment, user fee, concession fee, or rental charge; or
- (2) any other revenue or resources of the district.

Sec. 3950.154. COSTS FOR IMPROVEMENT PROJECTS.

Sec. 3950.155. TAX AND ASSESSMENT ABATEMENTS.

Sec. 3950.156. PROPERTY EXEMPT FROM IMPACT FEES.

SUBCHAPTER E. ASSESSMENTS

Sec. 3950.201. PETITION REQUIRED FOR FINANCING SERVICES AND

IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board. (b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3950.202. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3950.203. METHOD OF NOTICE FOR HEARING.

SUBCHAPTER F. TAXES AND BONDS

Sec. 3950.251. TAX ABATEMENT.

Sec. 3950.252. PROPERTY TAX AUTHORIZED.

Sec. 3950.253. SALES AND USE TAX.

Sec. 3950.254. BONDS AND OTHER OBLIGATIONS.

Sec. 3950.255. BOND MATURITY.

Sec. 3950.256. TAXES FOR BONDS AND OTHER OBLIGATIONS.

SUBCHAPTER G. DISSOLUTION

Sec. 3950.301. DISSOLUTION BY ORDINANCE.

Sec. 3950.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

Sec. 3950.303. ASSUMPTION OF ASSETS AND LIABILITIES.

SECTION 2. Sets out the metes and bounds of the district.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished

IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board. (b) The petition must be signed by the owners of at least 60 percent of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3950.202. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3950.203. METHOD OF NOTICE FOR HEARING.

SUBCHAPTER F. TAXES AND BONDS

Sec. 3950.251. TAX ABATEMENT.

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Sec. 3950.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

Sec. 3950.303. ASSUMPTION OF ASSETS AND LIABILITIES.

SECTION 2. Sets out the revised metes and bounds of the district.

SECTION 3. Same as introduced version.

to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

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

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

SECTION 4. 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, 2017.

SECTION 4. Same as introduced version.