

BILL ANALYSIS

Senate Research Center

C.S.S.B. 18
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Intergovernmental Relations
4-24-97
Committee Report (Substituted)

DIGEST

Currently, in Harris County, there are areas in which economic development and job creation are less than efficient. Houston's Richmond area could be considered economically inefficient by some standards. C.S.S.B. 18 would create the Greater East End Management District, which would help promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts, entertainment, economic development, safety and public welfare in the Richmond Avenue area of Houston.

PURPOSE

As proposed, C.S.S.B. 18 outlines provisions regarding the creation of certain municipal management districts.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the board of directors of the Harris County Improvement District under SECTION 1 (Sections 376.211(b), 376.219(a), 376.225(a), and 376.226, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

CHAPTER 376. SPECIFIC MUNICIPAL MANAGEMENT DISTRICTS

SUBCHAPTER F. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

Sec. 376.211. CREATION OF DISTRICT. Provides that a special district to be known as the "Harris County Improvement District No. 2" (district) exists as a governmental agency, body politic and corporate, and political subdivision of the state. Authorizes the name of the district to be changed by resolution of the board. Provides that the creation of the district is essential to accomplish the purposes of Section 52, Article III, Section 59, Article XVI, and Section 52-a, Article III, Texas Constitution, and other public purposes stated in this subchapter.

Sec. 376.212. DECLARATION OF INTENT. Sets forth the declaration of intent regarding the creation of the district.

Sec. 376.213. DEFINITIONS. Defines "board," "district," "municipality," and "county."

Sec. 376.214. BOUNDARIES. Sets forth territory included in the district.

Sec. 376.215. FINDINGS RELATING TO BOUNDARIES. Provides that the boundaries and field notes of the district form a closure. Sets forth items not affected if a mistake is made in the field notes or in copying the field notes in the legislative process.

Sec. 376.216. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides that all the land and other property included in the district will be benefitted by the improvements and services to be provided by the district under powers conferred by Section 52, Article III, Section 59, Article XVI, and Section 52-a, Article III, Texas Constitution, and other powers

granted under this subchapter, and the district is created to serve a public use and benefit. Provides that the creation of the district is in the public interest and is essential to further the public purposes of the development and diversification of the economy of the state and eliminate unemployment and underemployment and develop or expand transportation and commerce. Sets forth duties of the district. Provides that pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are part of and necessary components of a street and are considered to be a street or road improvement. Provides that the district will not act as the agent or instrumentality of any private interest even though many private interests will be benefitted by the district, as will the general public.

Sec. 376.217. APPLICATION OF OTHER LAW. Provides that Chapter 375 applies to the district except as otherwise provided by this subchapter.

Sec. 376.218. CONSTRUCTION OF SUBCHAPTER. Requires this subchapter to be liberally construed in conformity with the findings and purposes stated in this subchapter.

Sec. 376.219. BOARD OF DIRECTORS IN GENERAL. Sets forth the composition of and expiration of the terms of the board of directors of the district (board). Sets forth requirements and outlines provisions regarding the board.

Sec. 376.220. APPOINTMENT AND REMOVAL OF DIRECTORS; VACANCY. Sets forth requirements regarding vacancies in the office of director of the board and the appointment and removal of directors of the board.

Sec. 376.221. POWERS OF DISTRICT. Sets forth powers of the district.

Sec. 376.222. EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain.

Sec. 376.223. EXPENSES AND LIABILITY FOR CERTAIN ACTIONS AFFECTING PROPERTY. Sets forth items if the district requires a relocation, adjustment, raising, lowering, rerouting or changing of the grade or the construction of, in exercising a power conferred by this subchapter, the district is required to take that required action at the sole expense of the district. Requires the district to bear damages that are suffered by owners of the facility or other property.

Sec. 376.224. RELATION TO OTHER LAW. Provides that this subchapter prevails if any provision of a law referenced in Section 376.221 is in conflict with or is inconsistent with this subchapter. Provides that any law referenced in this subchapter that is not in conflict or inconsistent with this subchapter is adopted and incorporated by reference.

Sec. 376.225. REQUIREMENTS FOR FINANCING SERVICES AND IMPROVEMENTS. Prohibits the board from financing services and improvements under this subchapter unless a written petition, signed by certain persons, requesting those improvements or services has been filed with the board.

Sec. 375.226. NONPROFIT CORPORATION. Sets forth requirements and outlines provisions regarding the establishment of a nonprofit corporation.

Sec. 376.227. DISBURSEMENTS OR TRANSFERS OF FUNDS. Requires the board, by resolution, to establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 376.228. BONDS. Sets forth requirements and outlines provisions regarding the issuance of bonds.

Sec. 376.229. ASSESSMENTS. Authorizes the board to impose and collect an assessment for any purpose authorized by this subchapter. Provides that assessments, reassessments, or

assessments resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, expenses of collection, and reasonable attorney's fees incurred by the district are a first and prior line against the property assessed, are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes, and are the personal liability of and charge against the owners of the property even if the owners are not named in the assessment proceedings. Provides that the lien is effective from the date of resolution of the board levying the assessment until the assessment is paid. Authorizes the board to enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

Sec. 376.230. PROPERTY EXEMPTED BY BOARD. Prohibits the district from imposing a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium. Prohibits the district from imposing an impact fee or assessment on any property, equipment, or facilities of a public utility as defined by Section 2.0011(1), Article 1446c-0, V.T.C.S. (Public Utility Regulatory Act of 1995).

Sec. 376.231. ELECTIONS. Requires the district to hold an election in the manner provided by that subchapter to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes or assessments in addition to the election the district must hold under Chapter 375L. Authorizes the board to submit multiple purposes in a single proposition at an election.

Sec. 376.232. IMPACT FEES. Authorizes the district to impose an impact fee for an authorized purpose as provided by Chapter 375G.

Sec. 376.233. MAINTENANCE TAX. Authorizes the district to impose and collect an annual ad valorem tax on taxable property in the district for the maintenance and operation of the district and the improvements constructed or acquired by the district or for the provision of services if authorized at an election held in accordance with Section 376.229. Requires the board to determine the tax rate.

Sec. 376.234. DISSOLUTION OF DISTRICT. Authorizes the district to be dissolved as provided by Chapter 375M. Requires the district to remain in existence solely for the limited purpose of discharging its bonds or other obligations according to their terms if the district has debt and is dissolved.

Sec. 376.235. CONTRACTS. Authorizes the district to contract with the City of Houston, Texas or Harris County for the provision of law enforcement services by the county or municipality in the district on a fee basis to protect the public interest. Outlines provisions regarding contracts.

Sec. 376.236. INITIAL DIRECTORS. Sets forth persons of which the initial board is required to consist. Provides that of the initial directors, the terms of the directors for positions 1 through 5 expire June 1, 1999, and the terms of the directors appointed for positions 6 through 9 expire June 1, 2001. Provides that this section expires September 1, 2002.

SECTION 2. Sets forth findings of the legislature.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 376.214, Local Government Code, regarding boundaries of the Harris County Improvement District No. 2. Amends Section 376.222, regarding eminent domain.

Amends Section 376.230, regarding property exempted by the board of directors of the district. Amends Section 376.236, regarding the composition of the initial board.