

BILL ANALYSIS

Senate Research Center

C.S.S.B. 19
By: Gallegos
Intergovernmental Relations
4-24-97
Committee Report (Substituted)

DIGEST

Currently, in Harris County, as in many major metropolitan areas, there are areas which could be considered economically depressed. One such area is the Richmond area of Houston. This legislation would create the Greater East End Management District, with the goals of promoting, developing, encouraging, and maintaining employment, commerce, transportation, housing, tourism, recreation, arts, entertainment, economic development, safety, and the public welfare in the Richmond Avenue area of Houston.

PURPOSE

As proposed, C.S.S.B. 19 creates the Greater East End Management District in Harris County.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the board of directors of Greater East End Management District under SECTION 1 (Sections 376.161, 376.169, and 376.176, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 12A, Local Government Code, by adding Chapter 376, as follows:

CHAPTER 376. SPECIFIC MUNICIPAL MANAGEMENT DISTRICTS

SUBCHAPTER E. GREATER EAST END MANAGEMENT DISTRICT

Sec. 376.161. CREATION OF DISTRICT. Provides that a special district to be known as the "Greater East End Management 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 of directors. 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. 376.162. DECLARATION OF INTENT. Provides that the creation of the district is necessary to 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 the city of Houston. Provides that the creation of the district and this legislation are not to be interpreted to relieve the county of the municipality from providing the level of services, as of September 1, 1997, to the area in the district or to release the county or the municipality from the obligations each entity has to provide services to that area. Provides that the district is created to supplement and not supplant the municipal or county services provided in the area in the district. Provides that by creating the district and in authorizing the municipality, county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

Sec. 376.163. DEFINITIONS. Defines "board," "district," "municipality," and "county."

Sec. 376.164. **BOUNDARIES.** Provides that the district includes all the territory contained in a certain area.

Sec. 376.165. **FINDINGS RELATING TO BOUNDARIES.** Provides that the boundaries and field notes of the district form a closure. Sets forth provisions applicable if a mistake is made in the field notes or in copying the field notes in the legislative process.

Sec. 376.166. **FINDINGS OF BENEFIT AND PUBLIC PURPOSE.** Provides that all the land and other property included in the district will be benefited 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 essential to achieve certain goals. Provides that the district will promote safety, health, and general welfare, and will provide for certain needs. 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 parts 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 benefited by the district, as will the general public.

Sec. 376.167. **APPLICATION OF OTHER LAW.** Provides that except as otherwise provided by this subchapter, Chapter 375 applies to the district.

Sec. 376.168. **CONSTRUCTION OF SUBCHAPTER.** Requires this subchapter to be liberally construed in conforming with the findings and purposes stated in this subchapter.

Sec. 376.169. **BOARD OF DIRECTORS IN GENERAL.** Provides that the district is governed by a board of 12 directors who serve staggered terms of four years with six members' terms expiring June 1 of each odd-numbered year. Authorizes the board to increase or decrease the number of directors on the board by resolution, provided that it is in the best interest of the district to do so and that the board consists of not fewer than nine and not more than 30 directors. Provides that Chapter 375D applies to the board to the extent that subchapter does not conflict with this subchapter. Provides that the imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. Authorizes directors to vote on any matter authorized by Chapter 375D, and authorizes an action to be taken by the board only if it is approved in the manner prescribed by Chapter 375D.

Sec. 376.170. **APPOINTMENT OF DIRECTORS; VACANCY.** Authorizes the mayor and members of the governing body of the municipality to appoint directors from persons recommended by the board who meet the qualifications of Chapter 375D. Requires a vacancy in the office of director because of the death, resignation, or removal of a director to be filled by the remaining members of the board by appointing a qualified person for the unexpired term.

Sec. 376.171. **POWERS OF DISTRICT.** Sets forth the powers of the district.

Sec. 376.172. **EMINENT DOMAIN.** Prohibits the district from exercising the power of eminent domain.

Sec. 376.173. **EXPENSES AND LIABILITY FOR CERTAIN ACTIONS AFFECTING PROPERTY.** Sets forth provisions applicable if the district, in exercising a power conferred by this subchapter, requires a relocation, adjustment, raising, lowering, rerouting, or changing of the grade or the construction of certain items.

Sec. 376.174. **RELATION TO OTHER LAW.** Provides that if any provision of a law referenced in this subchapter is in conflict or is inconsistent with this subchapter, this subchapter prevails. 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. 376.175. REQUIREMENTS FOR FINANCING SERVICES AND IMPROVEMENTS. Prohibits the district from financing services and improvement projects under this subchapter unless a written petition requesting those improvements or services has been filed with the board. Requires the petition to be signed by certain persons.

Sec. 176.176. NONPROFIT CORPORATION. Authorizes the board, by resolution, to authorize the creation of a nonprofit corporation to assist and act on behalf of the district in implementing a project or providing a service authorized by this subchapter. Requires the board to appoint the board of directors of a nonprofit corporation created under this section. Requires the board of directors of the nonprofit corporation to serve in the same manner as, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. Sets forth additional provisions regarding a nonprofit corporation created under this section.

Sec. 376.177. 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. 376.178. BONDS. Authorizes the district to issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenues, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district. Sets forth additional provisions regarding bonds and obligations of the district. Requires the district, except as provided by Subsection (d), to obtain the municipality's approval of certain actions relating to bonds or improvement projects. Sets forth provisions applicable if the district obtains the municipality's approval of a capital improvements budget for a specified period not to exceed five years. Requires the district, before the district issues bonds, to take certain actions.

Sec. 376.179. ASSESSMENTS. Authorizes the board to impose and collect assessment for any purpose authorized by this subchapter. Sets forth provisions regarding assessments, reassessments, or assessments resulting from an addition to or correction of the assessment roll by the district. Provides that the lien is effective from the date of the 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. 376.180. PROPERTY EXEMPTED FROM TAX, FEE, OR ASSESSMENT. Prohibits the district from imposing certain taxes or fees.

Sec. 376.181. ELECTIONS. Requires the district, in addition to the elections the district must hold under Chapter 375L, 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. Authorizes the board to submit multiple purposes in a single proposition at an election.

Sec. 376.182. IMPACT FEES. Authorizes the district to impose an impact fee for an authorized purpose as provided by Chapter 375G.

Sec. 376.183. MAINTENANCE TAX. Authorizes the district, under certain conditions, 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 provisions of services. Requires the board to determine the tax rate.

Sec. 376.184. DISSOLUTION OF DISTRICT. Authorizes the district to be dissolved as provided by Chapter 375M. Requires the district, if the district has debt and is dissolved, to remain in existence solely for the limited purpose of discharging its bonds or other obligations according to their terms.

Sec. 376.185. CONTRACTS. Authorizes a district, in order to protect the public interest, to contract with a municipality or county for the provision of law enforcement services by the county or municipality in the district on a fee basis. Authorizes the municipality, county, or another political subdivision of the state, without further authorization, to contract with the district to implement a project of the district or assist the district in providing the services authorized under this subchapter. Sets forth certain authorizations regarding a contract under this subsection. Authorizes the district to enter into a contract, lease, or other agreement with or make or accept grants and loans to or from certain persons. Authorizes the district to perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

Sec. 376.186. INITIAL DIRECTORS. Provides that the initial board consists of certain persons. Provides that, of the initial directors, the terms of directors appointed for positions 1 through 6 expire on June 1, 1999, and the terms of directors appointed for positions 7 through 12 expire on June 1, 2001. Provides that this section expires September 1, 2002.

SECTION 2. Sets forth certain findings of the legislature.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends proposed Section 376.164, Local Government Code, to amend and add provisions regarding the boundaries of the district.

Amends proposed Section 376.166, Local Government Code, to provide that the district will provide needed funding for the Greater East End area, rather than the Richmond Avenue area.

Amends proposed Section 376.169, Local Government Code, to provide that the district is governed by a board of 12 directors who serve staggered terms of four years with six members' terms expiring June 1 of each odd-numbered year.

Adds a new Section 376.172, Local Government Code, regarding eminent domain. Renumbers remaining sections accordingly.

Adds a new Section 376.180, Local Government Code, regarding property exempted from certain taxes, fees, and assessments. Renumbers remaining sections accordingly.

Adds a new Section 376.186, Local Government Code, to set forth the persons serving on the initial board.

Amendment 1.

Page 17, between lines 9 and 10, insert number "13" and the name "Jim McCoy."