

BILL ANALYSIS

Senate Research Center
77R11240 ATP-D

H.B. 2295
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

The Harris County Improvement District No. 1 (district) was created in 1987. Since that time, numerous other municipal management districts have been created and statutes have been passed governing their general operation. The district is not able to meet its obligation and accomplish its goals in the same manner as other municipal management districts. C.S.H.B. 2295 applies existing statutes relating to municipal management districts to the district and authorizes the district to impose an ad valorem property tax, assessment, or impact fee, create a nonprofit corporation, charge fees for the use of certain conduits, and annex certain territories.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 6, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, by adding Subsection (C), to provide that, except as otherwise provided, Chapter 375 (Municipal Management Districts in General), Local Government Code, applies to the district. Provides that the district has the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code.

SECTION 2. Amends Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, by adding Section 7A as follows:

Sec. 7A. TAXES AND ASSESSMENTS. (A) Authorizes the district to impose an ad valorem tax, assessment, or impact fee in accordance with Chapter 375, Local Government Code, to provide improvements or services for a project or activity the district is authorized to acquire, construct, improve, or provide under this Act, if a written petition has been filed with the board of directors, requesting those improvements or services, signed by certain people.

(B) Prohibits the district from imposing an impact fee or assessment on the property, equipment, rights-of-way, facilities, or improvements of certain utilities.

SECTION 3. Amends Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, by adding Section 7B as follows:

Sec. 7B. NONPROFIT CORPORATION. (A) Authorizes the board of directors 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 Act.

(B) Requires the board of directors of the district to appoint the board of directors of a nonprofit corporation created under this section. Provides that the board of directors of the nonprofit corporation serves 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 (Texas Transportation Corporation Act), Transportation Code.

(C) Provides that a nonprofit corporation created under this section has the powers of and is considered for purposes of this Act to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code.

(D) Authorizes a nonprofit corporation created under this section to implement any project and provide any services authorized by this Act.

SECTION 4. Amends Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, by adding Section 7C as follows:

Sec. 7C. MISCELLANEOUS POWERS OF DISTRICT. Authorizes the district to undertake certain actions.

SECTION 5. Amends Section 13, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, as follows:

Sec. 13. ANNEXATION. (A) Authorizes the district to, subject to the approval of the governing body of the City of Houston, Texas, annex territory, rather than land, in accordance with Chapter 49J (Annexation or Exclusion of Land), Water Code or annex territory located inside the boundaries of a reinvestment zone created under Chapter 311 (Tax Increment Financing Act), Tax Code, as those boundaries exist on September 1, 2001, as provided by this section.

(B) Authorizes the district to annex territory under Subsection (A)(2) only if certain conditions are met.

(C) Authorizes the board, if, at an election held under Subsection (B), the voters approve each proposition, to adopt an order adding the annexed territory into the district.

(D) Requires the election, if the board orders an election to be held under Subsection (B), to be held and requires notice to be given in the area that the district wants to annex as provided for a bond election held by the district. Authorizes the district to hold an election to annex territory on the same day as any other district election. Authorizes the board to call an election to annex territory by a separate election order or as a part of any other election order. Authorizes the board to submit multiple purposes in a single proposition at an election. Authorizes the board to order multiple elections to annex the same territory.

(E) Authorizes the district to annex defined areas of land, regardless of whether the areas are contiguous to the district.

(F) Requires an annexed area to bear the area's pro rata share of all bonds, notes, or other obligations, taxes, or special assessments that may be owed, contracted for, or authorized by the district.

(G) Provides that the election, notice, and hearing requirements imposed by this section do not apply to an annexation under Chapter 49J, Water Code.

SECTION 6. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the Harris County Improvement District No. 1 and the district's board of directors that occurred before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court of competent jurisdiction or has been held invalid by a court of competent jurisdiction.

SECTION 7. Effective date: upon passage or September 1, 2001.