

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3692
By: Coleman (Ellis, Rodney)
Intergovernmental Relations
5/10/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

C.S.H.B. 3692 creates and establishes the Greater Southeast Management District and grants it the authority to impose taxes and issue bonds, to encourage the economic development of a certain part of the City of Houston.

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 Chapter 376, Local Government Code, by adding Subchapter K, as follows:

SUBCHAPTER K. GREATER SOUTHEAST MANAGEMENT DISTRICT

Sec. 376.451. CREATION OF DISTRICT. (a) Provides that a special district to be known as the "Greater Southeast Management District" (district) exists as a political subdivision of the state.

(b) Authorizes the name of the district to be changed by resolution of the board of directors of the district (board).

(c) 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. 376.452. DECLARATION OF INTENT. Sets forth legislative intent regarding the creation of the district.

Sec. 376.453. DEFINITIONS. Defines "board," "county," "district," and "municipality."

Sec. 376.454. BOUNDARIES. Sets forth the geographic boundaries of the district.

Sec. 376.455. FINDINGS RELATING TO BOUNDARIES. Sets forth legislative findings regarding the boundaries of the district.

Sec. 376.456. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Sets forth legislative findings regarding the benefit and public purpose of the district.

Sec. 376.457. APPLICATION OF OTHER LAW. Provides that, except as otherwise provided by this subchapter, Chapter 375 applies to the district and its governing body and employees.

Sec. 376.458. CONSTRUCTION OF SUBCHAPTER. Requires this subchapter to be liberally construed in conformity with the findings and purposes stated in this subchapter.

Sec. 376.459. BOARD OF DIRECTORS IN GENERAL. Sets forth provisions regarding the governance of the district by a board of directors. Sets forth provisions regarding the imposition of a tax, assessment, or impact fee by the district, and provisions regarding board actions.

Sec. 376.460. APPOINTMENT OF DIRECTORS; VACANCY. Makes provisions for appointment of directors and filling a vacancy in the office of director.

Sec. 376.461. POWERS OF DISTRICT. Sets forth specific powers, duties, and functions of the district.

Sec. 376.462. EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain.

Sec. 376.463. EX OFFICIO BOARD MEMBERS. Sets forth specific persons who shall serve as nonvoting ex officio directors. Provides for the consolidation, renaming, name change, or abolition of a department from which a person is serving as a nonvoting ex officio director. Authorizes the board to appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the municipality's midtown area to serve as a nonvoting ex officio director.

Sec. 376.464. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. Sets forth provisions regarding a conflict of interest for a director and an affidavit for a director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action.

Sec. 376.465. EXPENSES AND LIABILITY FOR CERTAIN ACTIONS AFFECTING PROPERTY. Makes provisions regarding expenses and liability of the district for certain actions affecting certain property.

Sec. 376.466. RELATION TO OTHER LAW. Provides that if any provision of general law, including a law referenced in this subchapter, is in conflict with 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. 376.467. REQUIREMENTS FOR FINANCING SERVICES AND IMPROVEMENTS. Sets forth requirements regarding financing service and improvement projects.

Sec. 376.468. NONPROFIT CORPORATION. Sets forth provisions for 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.

Sec. 376.469. 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. 376.470. BONDS. Makes provisions regarding the district's issuance of bonds or other obligations to finance any authorized purpose of the district.

Sec. 376.471. ASSESSMENTS. Sets forth provisions for the board to impose and collect an assessment for any purpose authorized by this subchapter.

Sec. 376.472. **PROPERTY EXEMPTED FROM TAX, FEE, OR ASSESSMENT.**
Exempts certain property from taxes, impact fees, or assessments. Defines “utility.”

Sec. 376.473. **ELECTIONS.** Makes provisions for an election to obtain voter approval of a maintenance tax or bond payable from ad valorem taxes or assessments.

Sec. 376.474. **IMPACT FEES.** Sets forth provisions for the district to impose an impact fee for an authorized purpose as provided by Chapter 375G.

Sec. 376.475. **MAINTENANCE TAX.** Sets forth provisions regarding a maintenance tax.

Sec. 376.476. **DISSOLUTION OF DISTRICT.** Sets forth provisions regarding the dissolution of the district.

Sec. 376.477. **CONTRACTS.** (a) Authorizes the district, in order to protect the public interest, to contract with the City of Houston (municipality) or Harris County (county) for the municipality or county to provide law enforcement services in the district for a fee.

(b) Authorizes the municipality, the 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 provisions regarding a contract under this subsection.

(c) Authorizes the district to enter into a contract, lease, or other agreement with or make or accept grants and loans to or from certain entities.

(d) 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. 376.478. **COMPETITIVE BIDDING UNIT.** Provides that Section 375.221 does not apply to the district unless the contract is for more than \$25,000.

Sec. 376.479. **ANNEXATION.** Authorizes the district to annex certain territory.

Sec. 376.480. **AGREEMENTS: GENERAL; DONATIONS, INTERLOCAL AGREEMENTS, AND LAW ENFORCEMENT SERVICES.** (a) Authorizes the district to make an agreement with or accept a donation, grant, or loan from any person.

(b) Provides that the implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

(c) Authorizes the district, in order to protect the public interest, to contract with the municipality or the county for the municipality or county to provide law enforcement services in the district for a fee.

SECTION 2. Sets forth legislative findings regarding the fulfillment of 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.

SECTION 3. Sets forth the initial board of directors of the district, notwithstanding Section 376.459, Local Government Code, as added by this Act. Makes provisions regarding the expiration dates of the initial board members' terms.

SECTION 4. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends Section 376.454 by amending proposed boundaries of the district. Amends Section 376.459 by amending language regarding the composition of the board of directors.

SECTION 3. Amends Subsections (1) and (2).