

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1806
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Intergovernmental Relations
4/29/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1806 creates the West Ranch Management District (district) as a political subdivision of the State of Texas to administer and provide funding for community improvement projects and services in the district, which is located entirely within the City of Friendswood and Galveston and Harris counties. The district will be a municipal management district similar to those operating pursuant to Chapter 375 (Municipal Management District in General), Local Government Code, and Title 4, Special Districts Code.

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. WEST RANCH MANAGEMENT DISTRICT. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3837, as follows:

CHAPTER 3837. WEST RANCH MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3837.001. DEFINITIONS. Defines "board" and "district."

Sec. 3837.002. WEST RANCH MANAGEMENT DISTRICT. Provides that the West Ranch Management District (district) is a special district created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 3837.003. PURPOSE; DECLARATION OF INTENT. (a) Provides that the creation of the district is essential to accomplish the purposes of Sections 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds) and 52-a (Loan or Grant of Public Money for Economic Development), Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this Act. Provides that by creating the district and in authorizing the City of Friendswood (city), Galveston and Harris Counties (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.

(b) Provides that the creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, education, safety, and the public welfare in the district.

(c) Prohibits this chapter and the creation of the district from being interpreted to relieve the county and the city from providing the level of services provided as of the effective date of the Act enacting this chapter, to the area in the district. Provides that the district is created to supplement and not to supplant the county or city services provided in the area in the district.

Sec. 3837.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) Provides that the district is created to serve a public use and benefit.

(b) Provides that all the land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Provides that the creation of the district is in the public interest and is essential to accomplish certain objectives.

(d) Sets forth certain functions of the district.

(e) Provides that pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) Provides that the district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3837.005. DISTRICT TERRITORY. (a) Provides that the district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under certain statutes.

(b) Provides that the boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect certain aspects of the district.

Sec. 3837.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. Provides that all or any part of the district is eligible to be included in certain tax reinvestment zones or a certain enterprise zone.

Sec. 3837.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Provides that, except as otherwise provided by this Act, Chapter 375 (Municipal Management Districts in General), Local Government Code, applies to the district.

Sec. 3837.008. LIBERAL CONSTRUCTION OF CHAPTER. Requires this chapter to be liberally construed in conformity with the findings and purposes stated in this chapter.

[Reserves Sections 3837.009-3837.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3837.051. GOVERNING BODY. Provides that the district is governed by a board of five directors (board) who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3837.052. APPOINTMENT OF DIRECTORS. (a) Requires the governing body of the city to appoint the directors of the board. Requires the governing body to appoint directors selected in a certain manner.

(b) Requires the board, if a person owns 25 percent or more of the land in the district, to request that the person provide to the board a list of persons for the board to nominate under this section. Provides that, if the person does not provide a list of persons to the board for that purpose before the 31st day after the date the board requests the list or if no person owns 25 percent or more of the land in the district, the board is not required to obtain a list and is authorized to nominate any eligible person for appointment to the board. Provides that, if more than one person owns 25 percent or more of the land included in the district, only the

person who owns the greatest amount of land included in the district is entitled to have the board request a list under this subsection.

(c) Requires, if a person owns 25 percent or more of the land in the district, at least a majority of the board to have been named from a list provided by a person who owns 25 percent or more of the land.

Sec. 3837.053. **REMOVAL OF DIRECTORS CHOSEN BY CITY.** Authorizes the city to remove a director appointed under Section 3837.052(a)(2) and appoint a person to serve the remainder of that director's term.

Sec. 3837.054. **VACANCY IN OFFICE OF DIRECTOR.** (a) Authorizes the board to appoint a person to fill the vacancy in the office of a director appointed under Section 3837.052(a)(1) for the remainder of the director's term.

(b) Authorizes the city to appoint a person to fill a vacancy in the office of a director appointed under Section 3837.052(a)(2) for the remainder of the director's term.

Sec. 3837.055. **QUORUM.** Provides that certain conditions are not taken into account for purposes of determining whether a quorum is present.

Sec. 3837.056. **INITIAL DIRECTORS.** Provides that the initial board consists of two directors appointed by the governing body of the city to serve in positions 1 and 2 and certain persons to serve in positions 3-5.

(b) Provides that of the initial directors, the terms of the directors appointed for positions 1 and 3 expire June 1, 2007, and the terms of directors appointed for positions 2, 4, and 5 expire June 1, 2009.

(c) Provides that Section 3837.052 does not apply to this section.

(d) Authorizes the governing body of the city to remove a director the governing body appoints under this section and to appoint a person to serve the remainder of the director's term.

(e) Provides that this section expires September 1, 2009.

[Reserves Sections 3837.057-3837.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3837.101. **EDUCATIONAL FACILITIES.** (a) Authorizes the district to acquire, construct, or finance an educational facility or a site or appurtenance for an educational facility to benefit the district.

(b) Authorizes the district to convey the facility, site, or appurtenance to a school district that contains territory in the district.

Sec. 3837.102. **DRAINAGE OR DETENTION FACILITY; EMINENT DOMAIN POWER.** (a) Authorizes the district to exercise the power of eminent domain to provide for a drainage or detention facility to serve the district in the same manner provided as provided by Chapter 54 (Municipal Utility Districts), Water Code, for a district operating under that chapter.

(b) Prohibits the district from exercising the power of eminent domain to acquire property owned by the city or county.

(c) Prohibits the district from exercising the power of eminent domain for any other purpose.

Sec. 3837.103. AGREEMENTS; GRANTS. (a) Authorizes the district to make an agreement with or accept a gift, grant, or loan from any person.

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

Sec. 3837.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. Authorizes the district, to protect the public interest, to contract with the city for the city to provide law enforcement services in the district that exceed the services that would otherwise be provided in the district by the city.

Sec. 3837.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. Authorizes the district to join and pay dues to certain organizations.

Sec. 3837.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) Authorizes the district to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including certain programs.

(b) Provides that, for purposes of this section, the district has all of the powers and authority of a municipality under Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code.

[Reserves Sections 3837.107-3837.150 for expansion.]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3837.151. DISBURSEMENTS AND TRANSFERS OF MONEY. 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. 3837.152. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. Prohibits the board from financing 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) Requires a petition filed under Subsection (a) to 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 rolls for the county, as applicable.

Sec. 3837.153. AD VALOREM TAX. (a) Authorizes the district, if authorized at an election held in accordance with Section 3837.157, to impose an annual ad valorem tax on taxable property in the district for any district purpose.

(b) Requires the board to determine the tax rate.

Sec. 3837.154. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. Prohibits the district from imposing an impact fee or assessment on the property, including the equipment, rights of way, facilities, or improvements of certain utilities and providers.

Sec. 3837.155. BONDS AND OTHER OBLIGATIONS APPROVAL BY CITY OF FRIENDSWOOD. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) Authorizes the district to issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a

proportionate interest in payments to be made by the district, or other type of obligation.

(c) Requires the district to obtain the approval of the city for the issuance of bonds or other obligations for any improvement project.

Sec. 3837.156. TAXES FOR BONDS AND OTHER OBLIGATIONS. Requires the board and the district to impose certain taxes at the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued.

Sec. 3837.157. TAX AND BOND ELECTIONS. (a) Requires the district to hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) Authorizes the board to include more than one purpose in a single proposition at an election.

(c) Provides that Section 375.243 (Petition Required for Bond Election), Local Government Code, does not apply to the district.

Sec. 3837.158. CITIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Provides that, except as provided by Section 375.263 (Dissolution by Municipal Ordinance), Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Sec. 3837.159. COMPETITIVE BIDDING. (a) Provides that the competitive bidding provisions of Subchapter I, Chapter 49, Water Code, apply to the district for a contract to acquire or construct a water, a wastewater, or a drainage or detention improvement. Provides that, for all other district contracts or projects, the competitive bidding requirements that apply to a local government corporation created under Chapter 431 (Texas Transportation Corporation Act), Transportation Code, apply to the district.

(b) Provides that Subchapter K, Chapter 375, Local Government Code, does not apply to the district.

[Reserves Sections 3837.160-3837.200 for expansion.]

SUBCHAPTER E. DISSOLUTION

Sec. 3837.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) Authorizes the board to dissolve the district regardless of whether the district has debt. Provides that Section 375.264, Local Government Code, does not apply to the district.

(b) Requires the district, if the district has debt when it is dissolved, to remain in existence solely for the purpose of discharging its debts. Provides that the dissolution is effective when all debts have been discharged.

SECTION 2. BOUNDARIES. Sets forth the territories included in the district.

SECTION 3. LEGISLATIVE FINDINGS. Provides that 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 are fulfilled and accomplished.

SECTION 4. EFFECTIVE DATE. Effective date: upon passage or September 1, 2005.