

## **BILL ANALYSIS**

Senate Research Center  
82R29246 JXC-D

C.S.H.B. 3827  
By: Zerwas (Hegar)  
Intergovernmental Relations  
5/19/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

C.S.H.B. 3827 creates the Fulshear Town Center Management District (district). The purpose of the district is to facilitate the development of a mixed use development in downtown Fulshear, and to provide a mechanism for funding or refunding improvements made to the property to render it developable. Currently, the vast majority of the acreage in the proposed district is undeveloped and needs essential public infrastructure such as drainage, detention, roadways, water, wastewater, and storm sewers, and related surface infrastructure components, such as enhanced lighting, green spaces, and pavers, to help construct a walkable development that includes commercial, office, and multi-family residential components.

The district will finance supplemental services such as safety and security, landscape maintenance, business development, marketing, and administration of the zone through assessments of commercial property owners. The bill also provides for taxing powers, once approved by a majority of the voters in the district, to supplement revenues that will be generated by a tax increment reinvestment zone to be created by the Town of Fulshear, which will help finance the infrastructure costs in the development area. The district will also serve as the financing mechanism for the sale of bonds at a future date, as the district revenues grow to a point where they will sustain debt service on the bonds.

The bill will give the district the power to capture hotel occupancy taxes that will further supplement revenues for district marketing, tourism, and economic development. There are no unusual or extraordinary powers granted by this bill and it does use template language for the standard powers. The bill does not give the district eminent domain powers.

C.S.H.B. 3827 includes language requested by the town council to assure that the city will maintain an ability to help define how the development unfolds, by obligating the development to seek consent on development standards for the project, and also approve a development agreement that sets forth how the development will meet town development criteria. The bill restricts the use of assessment powers on residential property by excluding two parcels of land that are currently classified as residential.

C.S.H.B. 3827 amends current law relating to the creation of the Fulshear Town Center Management District, and provides authority to impose an assessment, impose a tax, and issue bonds.

### **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 Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3903, as follows:

#### CHAPTER 3903. FULSHEAR TOWN CENTER MANAGEMENT DISTRICT

Sets forth standard language for the creation of the Fulshear Town Center Management District (district). Sets forth standards, procedures, requirements, and criteria for:

General provisions of the district (Sections 3903.001-3903.050);

Board of directors of the district (Sections 3903.051-3903.100);

Powers and duties of the district (Sections 3903.101-3903.130);

Improvement projects of the district (Sections 3903.131-3903.150);

General financial provisions; assessments (Sections 3903.151-3903.200);

Taxes and bonds (Sections 3903.201-3903.250); and

Dissolution of the district (Section 3903.251-3903.253).

Prohibits the district from exercising the power of eminent domain.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the 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: upon passage or September 1, 2011.