

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1363
By: Kolkhorst
Intergovernmental Relations
4/27/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This local bill proposes to create Simonton Management District No. 1 (district), a municipal management district in the City of Simonton (city) in Fort Bend County. Municipal management districts (MMD), which are generally governed by Chapter 375, Local Government Code, have been used to promote the development of commercial areas and to provide infrastructure, improvements, and supplemental services required of such areas. In particular, MMDs have been widely used in the Houston region, with almost every major commercial area in the Houston region being supported by a management district.

The district is proposed to cover approximately 273 acres of currently raw, undeveloped land. The proposed development plans for this district include a high-density, mixed-use town center concept. This model has been utilized successfully in many other management districts in the state, particularly in the Greater Houston region. Currently, a portion of the property is within the city's corporate limits and the remainder is in the city's extra-territorial jurisdiction (ETJ). By landowner petition and agreement with the city, the property currently in the ETJ will be annexed into the city. Thus, all of the property included in the district will be inside the city.

The district would provide critical public infrastructure improvements, such as water, sewer, drainage, road, and recreational facilities, to support development of the property, and would provide services and amenities to the commercial property in the district. The district would have typical management district powers, such as the power to levy assessments and taxes. The bill utilizes the "standardized" management district creation language previously adopted by the Senate Intergovernmental Relations Committee and used by prior House and Senate committees. The district will not have the power of eminent domain.

The sole owner and developer of the property is Twinwood U.S. Inc. (developer). The developer maintains large property holdings in the area and is planning for the development of a large master planned community. The city has adopted a resolution in support of the creation of the district.

C.S.S.B. 1363 makes the following changes:

- The substitute reflects that Section 375.207, Local Government Code, relating to approval by the city does not apply to the district. The district and the city have entered into a development agreement that includes city approval.
- It adds the names of the initial voting directors and removes Section 3934.006 in the filed version relating to eligibility for inclusion in special zones.
- The substitute removes Section 3934.108(c)(2) relating to creating economic development programs pursuant to Chapter 1509, Government Code.
- Provides that ad valorem taxes may only be pledged to bonds, notes, or other obligations as authorized by the Texas Constitution.

C.S.S.B. 1363 amends current law relating to the creation of Simonton Management District No. 1, provides authority to issue bonds, and provides authority to impose assessments, fees, or taxes.

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 3934, as follows:

CHAPTER 3934. SIMONTON MANAGEMENT DISTRICT NO. 1

Sets forth standard language for the creation of the Simonton Municipal Management District No. 1 (district) in the City of Simonton (city). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 3934.001-3934.007);

Size, composition, appointment, compensation, and terms of the board of directors of the district, including the naming of the initial directors (Sections 3934.051-3934.056);

Powers and duties of the district (Sections 3934.101-3934.112);

General financial provisions; assessments (Sections 3934.151-3934.155);
and

Taxes and bonds (Sections 3934.201-3934.206).

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, 2015.