

**BILL ANALYSIS**

C.S.H.B. 4344  
By: Huberty  
Special Purpose Districts  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties contend that an area located within Harris County would benefit from the creation of an improvement district. C.S.H.B. 4344 seeks to provide for the creation of the Harris County Improvement District No. 27.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.H.B. 4344 amends the Special District Local Laws Code to create the Harris County Improvement District No. 27 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the annexation or exclusion of land, the exemption of the property of certain utilities from assessments and fees, the use of electrical or optical lines, a certain strategic partnership agreement, the inapplicability of certain residential property exemptions and competitive bidding requirements to the district, the establishment of defined areas or designated property by the district, and municipal annexation and dissolution of the district. The bill sets out the district's powers and duties, which include public improvement district powers, road utility district powers, and, subject to certain requirements, the authority to borrow money, impose and collect assessments, issue obligations, and impose property, operation and maintenance, contract, sales and use, and hotel occupancy taxes. The bill prohibits the district from exercising the power of eminent domain.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 4344 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle C, Title 4, Special	SECTION 1. Subtitle C, Title 4, Special

85R 29487

17.128.814

Substitute Document Number: 85R 27707

District Local Laws Code, is amended by adding Chapter 3793 to read as follows:  
CHAPTER 3793. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 27

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3793.001. DEFINITIONS.

Sec. 3793.002. CREATION AND NATURE OF DISTRICT.

Sec. 3793.003. PURPOSE; DECLARATION OF INTENT.

Sec. 3793.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3793.005. INITIAL DISTRICT TERRITORY.

Sec. 3793.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

Sec. 3793.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3793.008. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3793.051. GOVERNING BODY; TERMS.

Sec. 3793.052. APPOINTMENT OF VOTING DIRECTORS.

Sec. 3793.053. NONVOTING DIRECTORS.

Sec. 3793.054. QUORUM.

Sec. 3793.055. COMPENSATION.

Sec. 3793.056. INITIAL VOTING DIRECTORS.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3793.101. GENERAL POWERS AND DUTIES.

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SUBCHAPTER C. POWERS AND DUTIES

Sec. 3793.101. GENERAL POWERS AND DUTIES.

Sec. 3793.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3793.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3793.104. NONPROFIT CORPORATION.

Sec. 3793.105. PUBLIC FACILITY CORPORATIONS.

Sec. 3793.106. AGREEMENTS; GRANTS.

Sec. 3793.107. LAW ENFORCEMENT SERVICES.

Sec. 3793.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3793.109. ECONOMIC DEVELOPMENT.

Sec. 3793.110. PARKING FACILITIES.

Sec. 3793.111. ANNEXATION OR EXCLUSION OF LAND.

Sec. 3793.112. PUBLIC IMPROVEMENT DISTRICT POWERS.

Sec. 3793.113. ROAD UTILITY DISTRICT POWERS.

Sec. 3793.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3793.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3793.104. NONPROFIT CORPORATION.

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Sec. 3793.110. PARKING FACILITIES.

Sec. 3793.111. ANNEXATION OR EXCLUSION OF LAND.

Sec. 3793.112. PUBLIC IMPROVEMENT DISTRICT POWERS.

Sec. 3793.113. ROAD UTILITY DISTRICT POWERS.

Sec. 3793.114. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENTS AND FEES. The district may not impose an assessment, impact fee, or standby fee on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility, as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;

(3) a person who owns pipelines used for the transportation or sale of carbon dioxide;

(4) a telecommunications provider as defined by Section 51.002, Utilities Code;

or

(5) a cable service provider or video service

Sec. 3793.114. CONDUIT FACILITIES. (a) The district may finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of district conduits for:  
(1) fiber-optic cable and supporting facilities;

(2) electronic transmission lines and supporting facilities; or  
(3) other types of transmission lines and supporting facilities.  
(b) The district may not require a person to use a district conduit.

Sec. 3793.115. STRATEGIC PARTNERSHIP AGREEMENT.

Sec. 3793.116. NO EMINENT DOMAIN POWER.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3793.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3793.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3793.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3793.154. METHOD OF NOTICE FOR HEARING.

provider as defined by Section 66.002, Utilities Code.

Sec. 3793.115. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line;  
(2) removing poles and any elevated lines using the poles; and  
(3) reconnecting the lines described by Subdivision (2) to the buildings or other improvements to which the lines were connected.

(b) The district may finance, acquire, construct, improve, operate, maintain, or charge fees for the use of the district conduits for another person's:

(1) telecommunications network; or  
(2) fiber-optic cable.

(c) Consistent with Title 2, Utilities Code, the district may finance, construct, or maintain conduits for:

(1) electronic transmission and distribution lines and supporting facilities; or  
(2) other types of transmission and distribution lines and supporting facilities.  
(d) The district may not require a person to use a district conduit.

Sec. 3793.116. STRATEGIC PARTNERSHIP AGREEMENT.

Sec. 3793.117. NO EMINENT DOMAIN POWER.

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Sec. 3793.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3793.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3793.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3793.154. METHOD OF NOTICE FOR HEARING.

Sec. 3793.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3793.156. RESIDENTIAL PROPERTY NOT EXEMPT.

Sec. 3793.157. COMPETITIVE BIDDING.

Sec. 3793.158. TAX AND ASSESSMENT ABATEMENTS.

SUBCHAPTER E. TAXES AND BONDS  
Sec. 3793.201. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3793.202. OPERATION AND MAINTENANCE TAX.

Sec. 3793.203. CONTRACT TAXES.

Sec. 3793.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 3793.205. TAXES FOR BONDS.

SUBCHAPTER F. DEFINED AREAS  
Sec. 3793.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY.

Sec. 3793.252. PROCEDURE FOR ELECTION.

Sec. 3793.253. DECLARING RESULT AND ISSUING ORDER.

Sec. 3793.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY.

Sec. 3793.255. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY.

SUBCHAPTER G. SALES AND USE TAX  
Sec. 3793.301. MEANINGS OF WORDS AND PHRASES.

Sec. 3793.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

Sec. 3793.303. AUTHORIZATION; ELECTION.

Sec. 3793.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3793.156. RESIDENTIAL PROPERTY NOT EXEMPT.

Sec. 3793.157. COMPETITIVE BIDDING.

Sec. 3793.158. TAX AND ASSESSMENT ABATEMENTS.

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Sec. 3793.202. OPERATION AND MAINTENANCE TAX.

Sec. 3793.203. CONTRACT TAXES.

Sec. 3793.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 3793.205. TAXES FOR BONDS.

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Sec. 3793.253. DECLARING RESULT AND ISSUING ORDER.

Sec. 3793.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY.

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Sec. 3793.303. AUTHORIZATION; ELECTION.

Sec. 3793.304. ABOLISHING SALES AND USE TAX.

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Sec. 3793.305. SALES AND USE TAX RATE.

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SUBCHAPTER H. HOTEL OCCUPANCY TAXES

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Sec. 3793.351. HOTEL OCCUPANCY TAX.

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SUBCHAPTER I. MUNICIPAL ANNEXATION AND DISSOLUTION

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Sec. 3793.401. MUNICIPAL ANNEXATION; DISSOLUTION.

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SECTION 2. Sets out the metes and bounds of the district.

SECTION 2. Same as introduced version.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

SECTION 3. Same as introduced version.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) 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 have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article

SECTION 4. Same as introduced version.

III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.