

SUBJECT: Amending Chambers County Improvement District road project authority

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 7 ayes — Coleman, Springer, Biedermann, Neave, Roberts, Thierry,
Uresti

0 nays

2 absent — Hunter, Stickland

SENATE VOTE: On final passage, May 11— 31-0, on Local and Uncontested Calendar

WITNESSES: *On House companion bill, HB 2748:*
For — Howard Cohen, Chambers County Improvement District No. 2;
(*Registered, but did not testify*: Chris Schulz, Chambers County
Improvement District No. 2 Board of Directors; Adam Garrow, National
Property Holdings, LLC)

Against — None

BACKGROUND: Special District Local Laws Code, ch. 3872 governs Chambers County
Improvement District No. 2, which was created in 2009 through
enactment by the 81st Legislature of SB 2511 by Williams. Its purpose is
to promote, develop, encourage, and maintain employment, commerce,
transportation, housing, tourism, recreation, the arts, entertainment,
economic development, and the public welfare in the district.

With voter approval, the district has authority to levy an operation and
maintenance tax. Under sec. 3872.104, the district may design, acquire,
construct, finance, issue bonds for, and improve macadamized, graveled,
or paved roads or improvements. That section also authorizes the district
to convey operation and maintenance of the same roads to the state, a
county, or a municipality.

Some observers suggest that the current authority of Chambers County

Improvement District No. 2 to finance and construct road facilities should be extended to operate and maintain these roads, which would improve economic development opportunities in the area.

DIGEST: SB 1260 would authorize Chambers County Improvement District No. 2 to own, operate, maintain, and improve macadamized, graveled, or paved roads or improvements, including other improvements located in or adjacent to road rights-of-way. The bill also would allow the district to issue notes or other obligations for these purposes.

The bill would maintain the ability of the district to convey a road project to a municipality, a county, or the state if the entity had approved the project's plans and specifications. Except by written agreement to assign operation and maintenance duties to a municipality, county, or the state, the district would operate and maintain any road project it authorized and did not convey to another entity.

SB 1260 would make various other changes to the statute governing the district and would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

NOTES: The House approved SB 1260 on May 19 after considering it in lieu of a companion bill, HB 2748 by Faircloth.