

BILL ANALYSIS

Senate Research Center

S.B. 1866
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Intergovernmental Relations
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As Filed

DIGEST

Currently, there is no Harris County Municipal Management District No. 1 (district). S.B. 1866 creates the district, sets forth district responsibilities and powers, and provides the authority to impose taxes and issue bonds.

PURPOSE

As proposed, S.B. 1866 creates the Harris County Municipal Management District No. 1.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 376, Local Government Code, by adding Subchapter H, as follows:

SUBCHAPTER H. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

Sec. 376.301. CREATION OF DISTRICT. Creates the Harris County Municipal District No. 1 (district) as a special district under the Texas Constitution. Authorizes the board of directors of a district to change the district's name. Establishes the necessity of the district's existence.

Sec. 376.302. DECLARATION OF INTENT. Sets forth the necessity of the district for the area within the district. Provides that the enactment of this subchapter does not relieve other authorities from providing services because the creation of the district supplements, rather than supplants the district's existing services. Provides that the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

Sec. 376.303. DEFINITIONS. Defines "board," "county," "municipality," and "utility."

Sec. 376.304. BOUNDARIES. Sets forth the legal description of the district's territory.

Sec. 376.305. FINDINGS RELATING TO BOUNDARIES. Provides that the boundaries and field notes of the district form a closure. Sets forth issues which are unaffected by mistakes made in the assessment of boundaries.

Sec. 376.306. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides that all land and property included in the district will benefit from improvements and services, and the district is created to serve a public use. Sets forth issues which are dependent upon the creation of the district. Sets forth the district's responsibilities. Sets forth a description of street or road improvement. Provides that the district will not act as the agent or instrumentally of any private interest.

Sec. 376.307. APPLICATION OF OTHER LAW. Expands the application of Chapter 375 to include the district, its governing body, and its employees

Sec. 376.308. LIBERAL CONSTRUCTION OF SUBCHAPTER. Requires this subchapter to be liberally construed in conformity with certain findings and purposes.

Sec. 376.309. BOARD OF DIRECTORS IN GENERAL. Provides that 11 board directors serve staggered terms of four years, to govern the district. Requires a director to receive compensation as provided by Section 49.060, Water Code. Entitles directors to governmental immunity, under certain conditions.

Sec. 376.310. APPOINTMENT OF DIRECTORS. Requires the mayor and members of the municipality's governing body to appoint directors from a select pool recommended by the board of directors of the district. Provides that a person is appointed upon majority vote by the governing body and the mayor. Prohibits board appointment to a person if such action would result in less than two-thirds of the directors residing in the municipality.

Sec. 376.311. EX OFFICIO BOARD MEMBERS. Sets forth individuals required to serve as nonvoting ex officio directors. Authorizes the board to appoint a certain director, if certain circumstances including changes and abolishments, exist for a department of a municipality. Authorizes the board to appoint the presiding officer of a nonprofit corporation to serve as a nonvoting ex officio director.

Sec. 376.312. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. Authorizes a director to participate in board votes and decisions, and provides that Chapter 171, Local Government Code, governs board members' conflicts of interest. Limits the application of Section 171.004, Government Code, to exclude the district. Requires a director with a conflict of interest to file a one-time affidavit declaring the interest. Authorizes the director to participate in certain actions, subsequent to filing the affidavit, under certain conditions. Prohibits a director who is also a public entity officer or employee from taking part in a matter regarding a contract with that public entity. Sets forth a description of a director's substantial interest regarding a charitable entity.

Sec. 376.313. ADDITIONAL POWERS OF DISTRICT. Authorizes the district to exercise the following powers: corporation, housing finance corporation powers, and eligible political subdivisions. Authorizes the district to exercise its powers outside district boundaries. Provides that the district has the rights, powers, privileges, authorities, and functions created under Chapter 375, Local Government Code. Authorizes the district to levy certain fees on all property within the district, for certain purposes. Requires the expenses incurred in the process of taking certain actions to be the responsibility of the district, including damages suffered by owners.

Sec. 376.314. ASSESSMENTS. Authorizes the board to levy and collect an assessment for any purpose authorized by this subchapter. Sets forth provisions for assessments resulting from additions or corrections to the assessment roll made by the district. Sets forth the term of effectiveness for the lien. Authorizes the board to enforce the lien in a certain manner. Requires a two-thirds majority vote of the board to approve the assessment of the levy.

Sec. 376.315. AGREEMENTS: GENERAL; DONATIONS, INTERLOCAL AGREEMENTS, AND LAW ENFORCEMENT SERVICES. Authorizes the district to make an agreement with or accept a donation, grant, or loan from any person. Provides that implementation of a project is a governmental function. Authorizes the district to contract for law enforcement services, for a fee.

Sec. 376.316. NONPROFIT CORPORATION. Authorizes the board to authorize the creation of a nonprofit corporation to implement a project, with or on behalf of the district. Requires the board to appoint the board of directors of a nonprofit corporation. Sets forth terms and powers of a board of directors of a nonprofit corporation under this section.

Sec. 376.317. ANNEXATION. Authorizes the district to annex certain territories.

Sec. 376.318. REINVESTMENT ZONES. Provides that areas within the district are eligible to be included in a tax increment reinvestment zone.

Sec. 376.319. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. Prohibits the board from financing certain projects prior to filing a written petition requesting the improvement or service. Sets forth requirements for the petition.

Sec. 376.320. ELECTIONS. Requires the district to obtain voter approval, through an election,

prior to imposing a maintenance tax or issuing bonds payable from ad valorem taxes or assessments. Authorizes the board to include multiple purposes in a single proposition.

Sec. 376.321. MAINTENANCE TAX. Sets forth authorization for the district to impose and collect an annual ad valorem tax on taxable property. Requires the board to determine the tax rate, and requires a two-thirds vote of the members to approve the levy of taxes.

Sec. 376.322. UTILITIES. Prohibits the district from imposing an assessment or impact fee on a utility's property.

Sec. 376.323. DISBURSEMENTS OR TRANSFERS OF FUNDS. Requires the board to establish procedures for directors' signatures and disbursement or transfer of district funds.

Sec. 376.324. COMPETITIVE BIDDING LIMIT. Provides that Section 375.221 does not apply to the district, unless the contract is for an amount exceeding \$25,000.

Sec. 376.325. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBTS. Authorizes the board to dissolve a district that has debt. Sets forth procedures for the dissolution of a district. Provides that Section 375.264 does not apply to the district.

SECTION 2. Provides that the legislature finds that proper and legal notice regarding this Act has been given, the Texas Natural Resource Conservation Commission has filed its recommendations, certain laws have been complied with, and all requirements have been fulfilled and accomplished.

SECTION 3. Sets forth the initial district board of directors, and sets forth their staggered terms.

SECTION 4. Emergency clause.
Effective date: upon passage.