

BILL ANALYSIS

Senate Research Center
77R10990 ATP-F

C.S.S.B. 1772
By: Bernsen
Intergovernmental Relations
4/11/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

The 75th Legislature established the East Montgomery County Improvement District. C.S.S.B. 1772 makes changes to the provisions concerning the administration, powers, and indebtedness of the district.

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 Section 4, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to provide that the East Montgomery County Improvement District (district) does not include any portion of the New Caney Independent School District, as the boundaries of the school district exist on September 1, 2001, or as they may exist in the future, located in Harris County.

SECTION 2. Amends Section 11, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to require the directors, after they have been selected and have qualified, to organize or reorganize by electing certain officers of the board.

SECTION 3. Amends Section 16, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, by amending Subsection (b) and adding Subsection (e), as follows:

(b) Authorizes the district to contract with off-duty peace officers to provide public safety and security services in connection with a special event, holiday, period with high traffic congestion, or similar circumstance, and at district facilities and property.

(e) Authorizes the board to employ and establish the terms of employment and compensation of an executive director or general manager or any officer of the district the board considers necessary.

SECTION 4. Amends Section 21(d), Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to redefine "taxable items."

SECTION 5. Amends Section 22(a), Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, to prohibit the board from calling an election to abolish a sales and use tax or to reduce the rate of the sales and use tax below the amount pledged to secure payment of any outstanding district debt while any district debt remains outstanding.

SECTION 6. Amends Section 23, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, by adding Subsection (d) to entitle the district to examine and receive information related to the imposition and collection of sales and use taxes to the same extent as if the district were a municipality under Chapter 321D (Administration of Taxes), Tax Code.

SECTION 7. Amends Section 25, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, as follows:

(a) Authorizes the district to impose the sales and use tax under this Act in certain increments, with a maximum tax of two, rather than one, percent.

(b) Prohibits the district from imposing a sales and use tax of greater than one percent unless the voters of the district have approved, at an election called for such purpose and conducted generally in accordance with Section 22 of this Act, the imposition of a rate of one percent or less in addition to the existing one percent rate. Sets forth the required wording of the ballot.

(c) Provides that a municipality's sales and use tax is automatically reduced if as a result of the imposition or increase of a sales and use tax under Section 22 and this section, the overlapping local sales and use taxes in a municipality located within the district will exceed two percent.

(d) Requires the comptroller, if the tax rate is reduced, to withhold from the district's monthly sales and use tax allocation an amount equal to the amount that would have been collected by the municipality had the district not imposed or increased its tax less amounts the municipality collects following the district's levy of or increase in its sales and use tax. Requires the comptroller to withhold and pay the amount withheld to the municipality under policies or procedures that the comptroller considers reasonable.

SECTION 8. Amends Section 30A, Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997, by adding Subsection (d), to provide that to the extent consistent with the documents authorizing the issuance of the district's bonds, the proceeds of bonds remaining after the payment of the cost of issuing the bonds and all costs associated with the projects for which the bonds were sold may be spent by the district for any lawful purpose or for any project the district is authorized to undertake.

SECTION 9. Repealer: Section 33 (Dissolution By Petition of Owners), Chapter 1316, Acts of the 75th Legislature, Regular Session, 1997.

SECTION 10. Sets forth legislative findings regarding the property to be excluded from the district.

SECTION 11. Sets forth legislative findings regarding procedural requirements to enact this bill.

SECTION 12. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from the original as follows:

- In the previously proposed text in SECTION 1, changes the date regarding school district boundaries from January 1, 2001, to September 1, 2001, or as the boundaries may exist in the future.
- Makes clarifications in amendments previously proposed in SECTIONS 3 and 4.
- In SECTION 6, changes the Tax Code reference from Section 321.3022 to Chapter 321D.
- In SECTION 7, adds provisions regarding an election conducted for the purpose of approval of a tax greater than one percent. Adds provisions pertaining to consequences of an increases sales and use tax.