

BILL ANALYSIS

Senate Research Center
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S.B. 1820
By: Armbrister
Intergovernmental Relations
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 1820 creates the West Fort Bend Management District (district) as a political subdivision of the State of Texas to administer and provide funding for community improvement projects and services in the district, which is located entirely within the Cities of Richmond and Rosenberg and in Fort Bend County. The district is a municipal management district similar to those operating pursuant to Chapter 375 (Municipal Management Districts in General), Local Government Code, and Title 4 (Development and Improvement), Special Districts Code.

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. WEST FORT BEND MANAGEMENT DISTRICT. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3835, as follows:

CHAPTER 3835. WEST FORT BEND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3835.001. DEFINITIONS. Defines "board," and "district."

Sec. 3835.002. WEST FORT BEND MANAGEMENT DISTRICT. Provides that the West Fort Bend Management District (district) is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3835.003. PURPOSE; DECLARATION OF INTENT. (a) Provides that the creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. Provides that, by creating the district and in authorizing the cities of Richmond and Rosenberg, Fort Bend County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) Provides that the creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) Provides that the creation of the district will establish an economic climate that encourages sustainable growth and improves the quality of life of citizens.

(d) Prohibits this chapter and the creation of the district from being interpreted to relieve Fort Bend County or the cities of Richmond and Rosenberg from providing the level of services provided as of the effective date of this Act, to the area in the district. Provides that the district is created to supplement and not to supplant the county services provided in the area in the district.

Sec. 3835.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) Provides that the district is created to serve a public use and benefit.

(b) Provides that all land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) Provides that the creation of the district is in the public interest and is essential to certain purposes.

(d) Provides that the district will serve certain functions.

(e) Provides that pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) Provides that the district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3835.005. DISTRICT TERRITORY. (a) Provides that the district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been to be modified under certain statutes.

(b) Provides that the boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not in any way affect certain aspects of the district.

Sec. 3835.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. Provides that all or any part of the area of the district is eligible to be included in certain tax or enterprise zones.

Sec. 3835.007. LIBERAL CONSTRUCTION OF CHAPTER. Requires this chapter to be liberally construed in conformity with the findings and purposes stated in this chapter.

[Reserves Sections 3835.008-3835.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3835.051. BOARD OF DIRECTORS; TERMS. Provides that the district is governed by a board of five voting directors (board) who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) Authorizes the board by resolution to change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. Prohibits the board from consisting of fewer than five or more than 15 voting directors.

Sec. 3835.052. APPOINTMENT OF DIRECTORS. (a) Requires the City of Richmond and the City of Rosenberg to appoint directors.

(b) Provides that for an appointment under Subsection (a)(1) or (2), a person is appointed if a majority of the members of the governing body of the city, including the mayor, vote to appoint that person. Provides that a person is appointed, for an appointment under Subsection (a)(3), if a majority of the members of the governing body of each city, including the mayor, vote to appoint that person.

(c) Requires an equal number of directors, if the board increases the number of voting directors from five, to be appointed by the Cities of Richmond and Rosenberg. Requires the remaining director, if any, to be appointed jointly by the cities as provided by this section.

Sec. 3835.053. NONVOTING DIRECTORS. Authorizes the board to appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3835.054. QUORUM. Provides that vacant director positions are not counted for the purposes of establishing a board quorum.

Sec. 3835.055. INITIAL VOTING DIRECTORS. (a) Provides that the initial board consists of certain members.

(b) Provides that, of the initial directors, the terms of directors appointed for positions 1 through 3 expire June 1, 2007, and the terms of directors appointed for positions 4 and 5 expire June 1, 2009.

(c) Provides that Section 3835.052 does not apply to this section.

(d) Provides that this section expires September 1, 2010.

[Reserves Sections 3835.056-3835.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3835.101. ADDITIONAL POWERS OF DISTRICT. Authorizes the district to exercise the powers given to an economic development corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that section, and the powers given to a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Sec. 3835.102. POWER TO REGULATE DEVELOPMENT STANDARDS; DISSOLUTION. (a) Authorizes a district to exercise the powers given to a municipality under Chapter 211, Local Government Code, including the power to regulate aesthetic development standards.

(b) Provides that a regulation adopted by the board under this section is in addition to regulations of the City of Richmond or Rosenberg. Provides that to the extent of any conflict between a board regulation adopted under this section and a regulation of the City of Richmond or Rosenberg, the more restrictive regulation controls.

(c) Authorizes the board to provide in a regulation that if the district dissolves, the restriction in the regulation continues in effect after the dissolution as a regulation of the city with the jurisdiction over the territory to which the regulation applies until modified or repealed by the governing body of the City of Richmond or Rosenberg, as appropriate.

Sec. 3835.103. NONPROFIT CORPORATION. (a) Authorizes the board by resolution to authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) Sets forth certain powers and abilities of the nonprofit corporation.

(c) Requires the board to appoint the board of directors of the nonprofit corporation. Requires the board of directors of the nonprofit corporation to serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431 (Texas Transportation Corporation Act), Transportation Code.

Sec. 3835.104. AGREEMENTS; GRANTS. (a) Authorizes the district to make an agreement with or accept a gift, grant, or loan from any person.

(b) Provides that the implementation of a project is a governmental function or service for the purposes of Chapter 791 (Interlocal Cooperation Contracts), Government Code.

Sec. 3835.105. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. Authorizes the district, to protect the public interest, to contract with a qualified party, including Fort Bend County or the cities of Richmond or Rosenberg, for the county or the city to provide law enforcement services in the district for a fee.

Sec. 3835.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. Authorizes the district to join and pay dues to certain organizations.

Sec. 3835.107. ECONOMIC DEVELOPMENT PROGRAMS. (a) Authorizes the district to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs that serve certain purposes.

(b) Provides that the district, for the purposes of this section, is eligible to receive grants from a municipality under Chapter 380, Local Government Code.

Sec. 3835.108. NO EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain.

[Reserves Sections 3835.109-3835.150 for expansion.]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3835.151. DISBURSEMENTS AND TRANSFERS OF MONEY. Requires the board by resolution to establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3835.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. Authorizes the district to take certain actions authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3835.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) Prohibits the board from financing a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) Requires a petition requesting a project financed by assessment to be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Fort Bend County.

Sec. 3835.154. METHOD OF NOTICE FOR HEARING. Authorizes the district to mail the notice required by Section 375.115, Local Government Code, by certified mail or an equivalent service that can provide a record of mailing or other delivery.

Sec. 3835.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) Authorizes the board by resolution to impose and collect an assessment for any purpose authorized by this chapter.

(b) Provides that an assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and

reasonable attorney's fees incurred by the district are a first and prior lien against the property assessed. Sets forth certain characteristics of said liens.

(c) Provides that the lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. Authorizes the board to enforce the lien in the same manner that the board is authorized to enforce an ad valorem tax lien against real property.

(d) Authorizes the board to make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Sec. 3835.156. AD VALOREM TAX. (a) Authorizes the district, if authorized at an election held in accordance with Section 3835.160, to impose an annual ad valorem tax on taxable property in the district to serve certain purposes.

(b) Requires the board to determine the tax rate.

Sec. 3835.157. PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. Prohibits the district from imposing an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements of certain entities. Prohibits the district from imposing an assessment on single-family residential property.

Sec. 3835.158. BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations, by competitive bid or negotiated sale, payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, including economic development funds contributed to the district by the municipality or by an economic development corporation, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) Authorizes the district, in exercising the district's power to borrow, to issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Sec. 3835.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. Requires the board, at the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued, to take certain actions.

Sec. 3835.160. TAX AND BOND ELECTIONS. (a) Requires the district to hold an election in the manner provided by Subchapter L (Elections), Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) Provides that Section 375.243 (Petition Required for Bond Election), Local Government Code, does not apply to the district.

Sec. 3835.161. CITIES NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Provides that, except as provided by Section 375.263 (Dissolution by Municipal Ordinance), Local Government Code, the Cities of Richmond or Rosenberg are not required to pay a bond, note, or other obligation of the district.

Sec. 3835.162. COMPETITIVE BIDDING. Provides that Section 375.221 (Competitive Bidding on Certain Public Works Contracts), Local Government Code, applies to the district only for a contract that has a value greater than \$25,000.

Sec. 3835.163. TAX AND ASSESSMENT ABATEMENTS. Authorizes the district to grant in the manner authorized by Chapter 312 (Property Redevelopment and Tax Abatement Act, Tax Code, an abatement for a tax or assessment for a tax or assessment owed to the district.

[Reserves Sections 3835.164-3835.200 for expansion.]

Sec. 3835.201. **DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.** (a) Authorizes the board to vote to dissolve the district regardless of whether the district has debt. Provides that Section 375.264 (Limitation), Local Government Code, does not apply to the district.

(b) Requires the district, if the vote is in favor of dissolution, to remain in existence solely for the limited purpose of discharging its debts. Sets forth that the dissolution is effective when all debts have been discharged.

SECTION 2. BOUNDARIES. Sets forth the boundaries of the territory contained in the district.

SECTION 3. LEGISLATIVE FINDINGS. Provides that 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 are fulfilled and accomplished.

SECTION 4. EFFECTIVE DATE: Effective date: upon passage or September 1, 2005.