

BILL ANALYSIS

Senate Research Center
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H.B. 4829
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Intergovernmental Relations
5/22/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4829 creates the Harris County Improvement District No. 17 (district) and provides authority to impose an assessment, impose a tax, and issue bonds. This bill prohibits the district from exercising the power of eminent domain.

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 Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3891, as follows:

CHAPTER 3891. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 17

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3891.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 3891.002. NATURE OF DISTRICT. Provides that the Harris County Improvement District No. 17 (district) is a special district created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

Sec. 3891.003. PURPOSE; DECLARATION OF INTENT. (a) Provides that the creation of the district is essential to accomplish the purposes of Sections 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds) and 52-a (Loan or Grant of Public Money for Economic Development), Article III (Legislative Department), 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 City of Houston, Harris 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) Prohibits this chapter and the creation of the district from being interpreted to relieve Harris County from providing the level of services provided, as of the effective date of the Act enacting this chapter, 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. 3891.004. 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 further the public purposes of developing and diversifying the economy of the state, eliminate unemployment and underemployment, and develop or expand transportation and commerce.

(d) Provides that the district will promote the health, safety, and general welfare of residents, employers, employees, potential employees, visitors, and consumers in the district, and of the public; provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Provides that pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, 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. 3891.005. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) Provides that the boundaries and field notes 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 affect the district's organization, existence, or validity; right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond; right to impose or collect an assessment or tax; or legality or operation.

Sec. 3891.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. Provides that all or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created under Chapter 311 (Tax Increment Financing Act), Tax Code; a tax abatement reinvestment zone created under Chapter 312 (Property Redevelopment and Tax Abatement Act), Tax Code; or an enterprise zone created under Chapter 2303 (Enterprise Zones), Government Code.

Sec. 3891.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Provides that except as otherwise provided by this chapter, Chapter 375 (Municipal Management Districts in General), Local Government Code, applies to the district.

[Reserves Sections 3891.008-3891.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3891.051. GOVERNING BODY; TERMS. Provides that the district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3891.052. APPOINTMENT OF DIRECTORS. (a) Requires the board to recommend to the Harris County Commissioners Court persons to serve on the succeeding board.

(b) Requires the commissioners court, after reviewing the board's recommendations of persons to serve on the succeeding board, to appoint as directors or disapprove the recommended persons.

(c) Requires the board, on the request of the commissioners court, if the governing body of the City of Houston objects to any of the board's recommendations of persons to serve on the succeeding board, to submit additional recommendations.

(d) Authorizes board members to serve successive terms.

(e) Requires the Texas Commission on Environmental Quality, if any provision of Subsections (a) through (d) is found to be invalid, to appoint the succeeding board from recommendations of persons to serve on the succeeding board submitted by the board.

Sec. 3891.053. ELIGIBILITY. Requires a person, to be eligible to serve as a director, to meet the qualifications in Section 375.063 (Qualifications of Director), Local Government Code.

Sec. 3891.054. INITIAL DIRECTORS. (a) Provides that the initial board consists of certain named voting directors.

(b) Provides that, of the initial directors, the terms of three directors expire June 1, 2011, and the terms of two directors expire June 1, 2013. Requires the initial directors to draw lots to determine which two directors' terms expire June 1, 2013.

(c) Provides that Section 3891.052 does not apply to this section.

(d) Provides that this section expires September 1, 2014.

[Reserves Sections 3891.055-3891.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3891.101. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3891.102. MUNICIPAL MANAGEMENT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general laws of this state, including Chapter 375, Local Government Code, applicable to a municipal management district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3891.103. DEVELOPMENT CORPORATION POWERS. Authorizes the district to exercise the powers given to a development corporation under Chapter 505 (Type B Corporations), Local Government Code.

Sec. 3891.104. SPORTS VENUE. Authorizes the district to construct, acquire, improve, maintain, and operate a sports venue, including an arena, coliseum, stadium, or other type of area or facility used for one or more professional or amateur sports or athletic events.

Sec. 3891.105. AGREEMENTS; GRANTS. Authorizes the district to make an agreement with or accept a gift, grant, or loan from any person.

Sec. 3891.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. Authorizes the district to join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3891.107. 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.

(b) Provides that the district has all of the economic development authority that Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code, grants to a municipality with a population of more than 100,000; and Chapter 1509 (Obligations for Other Municipal Purposes), Government Code, grants to a municipality.

Sec. 3891.108. NO EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain.

[Reserves Sections 3891.109-3891.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3891.151. OPERATION AND MAINTENANCE TAX. (a) Authorizes the district, if authorized at an election held in accordance with Section 3891.158, to impose an annual operation and maintenance tax on taxable property in the district in accordance with Section 49.107 (Operation and Maintenance Tax), Water Code, for any district purpose, including to maintain and operate the district; construct or acquire improvements; or provide a service.

(b) Requires the board to determine the tax rate. Prohibits the rate from exceeding the rate approved at the election.

Sec. 3891.152. CONTRACT TAXES. (a) In accordance with Section 49.108 (Contract Elections), Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) Authorizes a contract approved by the district voters to contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 3891.153. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Authorizes the district to issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Sec. 3891.154. HOTEL OCCUPANCY TAX. (a) Authorizes the district to impose a hotel occupancy tax in the manner that Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, provides for a municipality.

(b) Prohibits a tax imposed under this section from exceeding the maximum rate under Section 351.003(a) (relating to the authorization of a certain tax to be imposed at a certain rate), Tax Code.

Sec. 3891.155. SALES AND USE TAX. (a) Authorizes the district to impose a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose. Authorizes revenue from the tax to be used for any district purpose for which ad valorem tax revenue is used.

(b) Prohibits the district from imposing a sales and use tax if as a result of the imposition of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district.

(c) Provides that if the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Provides that except as otherwise provided by this chapter, Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section.

Sec. 3891.156. TAXES FOR BONDS. Requires the board, the time the district issues bonds payable wholly or partly from ad valorem taxes, to provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 (Tax Levy for Bonds) and 54.602 (Establishment of Tax Rate in Each Year), Water Code.

Sec. 3891.157. BONDS FOR ROAD PROJECTS. Prohibits the total principal amount of bonds or other obligations incurred to finance a road project, at the time of issuance, from exceeding one-fourth of the assessed value of real property in the district.

Sec. 3891.158. ELECTIONS REGARDING TAXES AND BONDS. (a) Authorizes the district to issue, without an election, bonds, notes, and other obligations secured by revenue or contract payments from any source other than ad valorem taxes.

(b) Requires the district to hold an election in the manner provided by Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. 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: upon passage or September 1, 2009.