

BILL ANALYSIS

Senate Research Center
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S.B. 397
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The East Montgomery County Improvement District (district) was created in 1997 by the 75th Legislature. S.B. 397 amends Chapter 3846, Special District Local Laws Code, relating to the creation and administration of the district, by making certain changes concerning the administration, powers, and indebtedness of the district.

As proposed, S.B. 397 amends current law relating to the East Montgomery County Improvement District and imposes a tax.

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 3846.001(3), Special District Local Laws Code, to define "venue."

SECTION 2. Amends Section 3846.103(b), Special District Local Laws Code, as follows:

(b) Authorizes a district improvement project or service to include:

(1) the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of certain public improvements, facilities, and services, including a venue project authorized by Section 3846.301 (Venue Projects Authorized); and

(2)-(4) Makes no changes to these subdivisions.

SECTION 3. Amends Section 3846.264(f), Special District Local Laws Code, as follows:

(f) Provides that if a political subdivision, including a municipality, imposes or increases the rate of the political subdivision's sales and use tax in the development zone and the imposition or increase causes the combined rate of sales and use taxes imposed by political subdivisions in the development zone to exceed the maximum combined rate of sales and use taxes imposed by political subdivisions that is prescribed by Section 323.101(d) (relating to prohibiting a county from adopting a sales and use tax if the combined rate of all sales and use taxes imposed by the county and other political subdivisions of this state would exceed two percent at any location in the county), Tax Code, the political subdivision's sales and use tax is reduced to a rate that, when added to the rates of existing sales and use taxes imposed in the development zone, equals the maximum combined rate prescribed by that section, rather than providing that if a political subdivision, including a municipality, imposes a sales and use tax in the development zone the sales and use tax authorized by this section is reduced as of the date the development zone authorized the sales and use tax so that the combined total of all local sales and use taxes imposed in the development zone does not exceed two percent.

SECTION 4. Amends Subchapter G, Chapter 3846, Special District Local Laws Code, by adding Section 3846.304, as follows:

Sec. 3846.304. PUBLIC PURPOSE OF VENUE PROJECT. (a) Provides that the legislature finds for all constitutional and statutory purposes that a venue project is owned, used, and held for public purposes by the East Montgomery County Improvement District (district).

(b) Provides that Section 25.07(a) (relating to listing a leasehold or other possessory interest in real property that is exempt from taxation in the name of the owner of the interest if the duration of the interest may be at least one year), Tax Code, does not apply to a leasehold or other possessory interest granted by the district while the district owns the venue project.

(c) Provides that the project is exempt from taxation under Section 11.11 (Public Property), Tax Code, while the district owns the venue project.

(d) Requires the operator of a venue project located on real property, if approval and implementation of a resolution under this chapter results in the removal from a school district's property tax rolls of real property otherwise subject to ad valorem taxation, to pay to the school district on January 1 of each year in which the project is in operation and in which the real property is exempt from ad valorem taxation an amount equal to the ad valorem taxes that would otherwise have been levied for the preceding tax year on that real property by the school district, without including the value of any improvements. Provides that this subsection does not apply if the operator of the project is a political subdivision of this state.

SECTION 5. Amends Subchapter J, Chapter 3846, Special District Local Laws Code, by adding Section 3846.4535, as follows:

Sec. 3846.4535. CONTINUING AUTHORITY TO IMPOSE HOTEL OCCUPANCY TAX NOT LIMITED. (a) Authorizes the district, except as provided by Section 3846.456 (Exemption From Hotel Occupancy Tax), to impose a hotel occupancy tax under this subchapter on any hotel located in the district, including a hotel located on property added under Section 3846.107 (Annexation or Exclusion of Territory).

(b) Provides that the imposition of a hotel occupancy tax in the district by a political subdivision, including a county or municipality, does not diminish or limit the district's authority to impose the hotel occupancy tax authorized by this subchapter.

SECTION 6. Repealer: Section 3846.155(c) (relating to requiring a ballot in the East Montgomery County Improvement District to permit voting for or against the local sales and use tax proposition), Special District Local Laws Code.

SECTION 7. (a) Provides that the legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution, and Chapter 313 (Notice for Local and Special Laws), Government Code.

(b) Provides that the governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality (TCEQ).

(c) Provides that TCEQ has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) Provides that the general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) Provides that all requirements of the constitution and laws of this state and rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 8. Effective date: upon passage or September 1, 2011.