

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2259
By: Isaac (Campbell)
Intergovernmental Relations
5/25/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Driftwood Economic Development Municipal Management District (district) was created by H.B. 4825, Acts of the 81st Legislature, Regular Session, 2009, which is now codified as Chapter 3858 of the Special District Local Laws Code (Creation Statute). Section 3858.006 of the creation statute provides that Chapter 375, Local Government Code, which governs municipal management districts in general, applies to the district, except where otherwise provided by the creation statute. This bill amends the creation statute to tailor certain concepts in Chapter 375 to the unique characteristics of the district and to update certain provisions of the creation statute to conform to the practical realities within the district.

C.S.H.B. 2259 amends current law relating to the Driftwood Economic Development Municipal Management District, removes conditions to imposing a tax on residential property, and provides authority to issue bonds.

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 3858.052, Special District Local Laws Code, as follows:

Sec. 3858.052. APPOINTMENT OF DIRECTORS. Provides that the board of directors of the Driftwood Economic Development Municipal Management District (board; district) consists of the following directors:

(1)-(4) Makes no change to these subdivisions; and

(5) Position 5: a person appointed by the commissioners court, who must be the individual, rather than the individual who owns more property in the district than any other individual, the designee of the individual, or the designee of the entity that owns more property in the district than any other individual or entity, except that if the commissioners court is unable to identify a qualified person who is willing and able to serve, the commissioners court shall appoint to the place a person who is at least 18 years old and a resident of this state. Makes a nonsubstantive change.

SECTION 2. Amends Subchapter B, Chapter 3858, Special District Local Laws Code, by adding Section 3858.057, as follows:

Sec. 3858.057. QUALIFICATIONS OF DIRECTORS; PARTICIPATION IN VOTING.

(a) Provides that Sections 375.063 (Qualifications of Director) and 375.072 (Participation in Voting), Local Government Code, do not apply to a director.

(b) Authorizes an official or employee of a public entity to serve on the board. Provides that the common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director.

(c) Provides that a person appointed to serve on the board under this chapter is qualified to serve as a director and participate in all votes pertaining to the business of the district regardless of any other statutory provision to the contrary.

(d) Authorizes a director to participate in discussion and vote on an action even if the director is an official or employee of a public entity and the action relates to assessments on or contracts with the public entity.

SECTION 3. Amends Section 3858.102(a), Special District Local Laws Code, as follows:

(a) Authorizes the district to provide, or enter into contracts with a governmental or private entity to provide, the following types of improvement projects or services or activities in support of or incidental to those projects or services:

(1) the planning, design, construction, improvement, operation, and maintenance of:

(A)-(E) Makes no change to these paragraphs;

(F) a park, lake, garden, recreational facility, sports facility, open space, scenic area, animal habitat, or related exhibit or preserve;

(G)-(I) Makes no change to these paragraphs;

(J) water, wastewater, or drainage facilities or services;

(K) a water quality protection facility;

(L) a facility to enhance groundwater recharge, including a rainwater collection and harvesting system;

(M) an alternative energy facility; or

(N) solid waste management services, including garbage collection, recycling, and composting;

(2) Makes no change to this subdivision; or

(3) a special or supplemental service for the improvement and promotion of the district or for the protection of public health and safety in the district, including:

(A)-(J) Makes no change to these paragraphs;

(K) Makes a nonsubstantive change;

(L) water, wastewater, or drainage facilities or services; or

(M) any similar public improvement, facility, or service.

Makes nonsubstantive changes.

SECTION 4. Amends Subchapter C, Chapter 3858, Special District Local Laws Code, by adding Section 3858.1025, as follows:

Sec. 3858.1025. ECONOMIC DEVELOPMENT. (a) Authorizes the district to engage in activities that accomplish the economic development purposes of the district.

(b) 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 to make loans and grants of public money and provide district personnel and services.

(c) Authorizes the district to create economic development programs and exercise the economic development powers that Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code, provides to a municipality.

SECTION 5. Amends Section 3858.104(a), Special District Local Laws Code, as follows:

(a) Authorizes the district to adopt and enforce rules to administer or operate the district or any service provided by the district. Makes no further change.

SECTION 6. Amends Subchapter D, Chapter 3858, Special District Local Laws Code, by adding Section 3858.1521, as follows:

Sec. 3858.1521. BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money for any purpose authorized by this chapter.

(b) Requires that ad valorem taxes, notwithstanding Subsection (a), be pledged only to pay bonds, notes, or other obligations that are issued by the district for purposes authorized under 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), or Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

SECTION 7. Repealer: Section 3858.152 (No Authority to Issue Bonds), Special District Local Laws Code.

SECTION 8. (a) Repealer: Section 3858.153(c) (authorizing the board to impose a tax on residential property in the district only if the revenue requirements of the district are not satisfied by the other taxes imposed by the board), Special District Local Laws Code.

(b) Provides that this section takes effect January 1, 2016.

SECTION 9. Provides that the repeal by this Act of Section 3858.153(c), Special District Local Laws Code, applies only to ad valorem taxes that are imposed for an ad valorem tax year that begins on or after January 1, 2016.

SECTION 10. 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 11. Effective date, except as otherwise provided by this Act: September 1, 2015.