

BILL ANALYSIS

Senate Research Center
85R25536 SMT-F

C.S.S.B. 2259
By: Kolkhorst
Intergovernmental Relations
4/24/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2259 proposes to create Fort Bend County Municipal Management District No. 2 (district), a municipal management district (MMD) in the extraterritorial jurisdiction of the City of Houston (city) in Fort Bend County.

MMDs, which are generally governed by Chapter 375, Local Government Code, have been used to promote the development of commercial areas and to provide infrastructure, improvements, and supplemental services required of such areas.

In particular, MMDs have been widely used in the Houston region, with almost every major commercial area in the Houston region being supported by an MMD.

The district is proposed to cover approximately 100 acres of currently raw, undeveloped land.

The district would provide critical public infrastructure improvements, such as water, sewer, drainage, road and recreational facilities, to support development of the property, and would provide services and amenities to the commercial property in the district.

The district would have typical MMD powers, such as the power to levy assessments and taxes. S.B. 2259 utilizes the “standardized” management district creation language previously adopted by the Senate Intergovernmental Relations Committee and used by prior house and senate committees.

The sole landowner, an entity controlled by William Harrison, initiated the creation of a management district over this property.

The City of Houston has been notified of the proposed creation of the district and has no objection.

The directors must be elected.

The district will not have the power of eminent domain.

Notice of intent was published on January 25, 2017. S.B. 2259 is eligible for filing on February 25, 2017.

C.S.S.B. 2259 amends current law relating to the creation of the Fort Bend County Municipal Management District No. 2, provides authority to issue bonds, and provides authority to impose assessments, fees, or taxes.

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 3957, as follows:

CHAPTER 3957. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 2

Sets forth standard language for the creation of the Fort Bend County Municipal Utility District No. 2 (district) in Fort Bend County. Sets forth definitions, standards, procedures, requirements, and criteria for:

Creation, purpose, approval, and initial territory of the district (Sections 3957.001-3957.050);

Size, appointment, composition, compensation, and appointment of temporary directors of the district (Sections 3957.051-3957.100);

Powers and duties of the district (Sections 3957.101-3957.150);

General financial provisions and authority to impose a tax and issue bonds and obligations for the district (Sections 3957.151-3957.250);

Authority to establish defined areas or designated property, including the authority to establish taxes and bonds (Sections 3957.251-3957.300); and

Dissolution and municipal annexation of the district (Section 3957.301).

Prohibits the district from exercising the power of eminent domain.

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

SECTION 3. Provides that all requirements of the constitution and the 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, 2017.