

BILL ANALYSIS

Senate Research Center
86R11279 SMT-F

S.B. 2456
By: Powell
Intergovernmental Relations
4/14/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2456 modifies the powers and duties of the Karis Municipal Management District of Tarrant County (district), a political subdivision of this state, to administer and provide funding for community improvement projects and services in the district. The district is a municipal management district created by the Texas Commission on Environmental Quality, similar to those operating pursuant to Chapter 375 (Municipal Management District in General), Local Government Code, and Title 4, Special District Local Laws Code.

As proposed, S.B. 2456 amends current law relating to the powers and duties of the Karis Municipal Management District of Tarrant County; changes the territory of the district; provides a civil penalty; and provides authority to issue bonds.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to Karis Municipal Management District of Tarrant County in SECTION 1 (Section 3970.0307, Special District Local Laws Code) of this bill.

Rulemaking authority is expressly granted to the district's board of directors in SECTION 1 (Section 3970.0308, Special District Local Laws Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3970, as follows:

CHAPTER 3970. KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3970.0101. DEFINITIONS. Defines "board" as the board of directors of the district, "city" as the City of Crowley, "county" as Tarrant County, "director" as a board member, and "district" as the Karis Municipal Management District of Tarrant County.

Sec. 3970.0102. CONFLICTS. Provides that in the case of a conflict between the order of the Texas Commission on Environmental Quality dated February 19, 2019, that created the district and this chapter, this chapter prevails.

Sec. 3970.0103. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) Provides that all or any part of the area of the district is eligible to be included in:

- (1) a tax increment reinvestment zone created under Chapter 311 (Tax Increment Financing Act), Tax Code;
- (2) a tax abatement reinvestment zone created under Chapter 312 (Property Redevelopment and Tax Abatement Act), Tax Code; and

(3) an enterprise zone created under Chapter 2303 (Enterprise Zones), Government Code.

(b) Authorizes the city, by contract with the district, if the city creates a tax increment reinvestment zone under Chapter 311, Tax Code, to grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b) (relating to authorizing a home-rule municipality to grant public money to a development corporation), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3970.0201. VACANCY. Requires the governing body of the city to fill a vacancy on the board for the remainder of the unexpired term in the same manner as the original appointment.

Sec. 3970.0202. QUORUM. Provides that, for purposes of determining the requirements for a quorum of the board, the following are not counted:

- (1) a board position vacant for any reason, including death, resignation, or disqualification; or
- (2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 3970.0203. COMPENSATION. Entitles a director to receive fees of office and reimbursement for actual expenses as provided by Section 49.060 (Fees of Office; Reimbursement), Water Code. Provides that Sections 375.069 (Board Position Not Civil Office of Emolument) and 375.070 (Compensation of Directors; Reimbursement of Expenses), Local Government Code, do not apply to the board.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3970.0301. DEVELOPMENT CORPORATION POWERS. Authorizes the district, using money available to the district for that purpose, to exercise the powers given to a development corporation under Chapter 505 (Type B Corporations), Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3970.0302. 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. 3970.0303. ECONOMIC DEVELOPMENT PROGRAMS. (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:

- (1) make loans and grants of public money; and
- (2) provide district personnel and services.

(c) Authorizes the district to create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code; and

(2) Subchapter A (Bonds For Facilities to be Sold or Leased to Public or Private Entities), Chapter 1509, Government Code.

Sec. 3970.0304. WATER DISTRICT POWERS. Provides that the district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59 (relating to issuance of bonds by certain entities), Article XVI, Texas Constitution, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code.

Sec. 3970.0305. ROAD DISTRICT POWERS. Provides that the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 (Road Districts) and 441 (Road Utility Districts), Transportation Code.

Sec. 3970.0306. NAVIGATION DISTRICT POWERS. (a) Provides that the district has the powers provided by the general laws relating to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 (Navigation Districts-General Provisions) and 62 (Article XVI, Section 59, Navigation Districts), Water Code.

(b) Authorizes the district to purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Sec. 3970.0307. RULES; ENFORCEMENT. (a) Authorizes the district to adopt rules:

(1) to administer or operate the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or

(3) to provide for public safety and security in the district.

(b) Authorizes the district to enforce its rules by injunctive relief.

(c) Provides that a person who violates a rule adopted under this section is liable to the district for a civil penalty of not less than \$25 or more than \$250 for each violation.

Sec. 3970.0308. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR FACILITY OF DISTRICT. (a) Authorizes the board by rule to regulate the private use of a public roadway, open space, park, sidewalk, or similar public area or facility in the district. Authorizes a rule to provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) Authorizes the board to require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility owned by the district. Authorizes the board to charge a fee for the permit application or for public safety or security services for those facilities in an amount determined by the board.

(c) Authorizes the board to require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of an area or facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Sec. 3970.0309. APPROVAL BY CITY. Provides that Section 375.207(c) (relating to requiring a district to obtain approval from the municipality of the plans and specifications of any improvement project that involves the use of the rights-of-way of streets, roads, or highways or the use of municipal land or any easements granted by the municipality), Local Government Code, does not apply to the district.

Sec. 3970.0310. ADDING OR EXCLUDING LAND. Authorizes the district to add or exclude land in the manner provided by Subchapter J (Annexation or Exclusion of Land), Chapter 49, Water Code.

Sec. 3970.0311. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3970.0401. COSTS FOR IMPROVEMENT PROJECTS. Authorizes the district to undertake separately or jointly with other persons, including the city or the county, all or part of the cost of an improvement project, including an improvement project:

(1) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in or adjacent to the district; and

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Sec. 3970.0402. TAX AND ASSESSMENT ABATEMENTS. Authorizes the district to designate reinvestment zones and to grant abatements of a tax or assessment on property in the zones.

Sec. 3970.0403. STORM WATER USER CHARGES. Authorizes the district to establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district, subject to approval of the governing body of the city.

Sec. 3970.0404. NONPOTABLE WATER USER CHARGES. Authorizes the district to establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the city.

Sec. 3970.0405. RESIDENTIAL PROPERTY NOT EXEMPT FROM CERTAIN REQUIREMENTS. Provides that Section 375.161 (Certain Residential Property Exempt), Local Government Code, does not apply to the district.

Sec. 3970.0406. ASSESSMENTS. Authorizes the district to impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

(1) a district under Subchapters A (General Provisions), E (Powers and Duties), and F (Assessments), Chapter 375, Local Government Code;

(2) a municipality or county under Subchapter A (Public Improvement Districts), Chapter 372, Local Government Code.

Sec. 3970.0407. BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district, in addition to the authority to issue bonds granted to the district in Subchapter J (Bonds), Chapter 375, Local Government Code, to issue, by competitive bid or private sale, bonds, notes, or other obligations in the manner provided by Subchapter A, Chapter 372, Local Government Code. Provides that Sections 375.207(a) (relating to requiring a district to obtain the approval of the governing body of the municipality in which it is located for

bond issues for an improvement project and the plans and specifications of an improvement project financed by the bond issue before those bonds may be issued) and (b) (relating to authorizing a district, if a district obtains approval of a capital improvements budget, to finance the capital improvements and issue bonds specified in the budget without further approval from the municipality), Local Government Code, do not apply to the district.

(b) Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the district.

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

Sec. 3970.0408. ATTORNEY GENERAL APPROVAL NOT REQUIRED FOR CERTAIN BORROWING. Provides that Section 375.205 (Approval By Attorney General; Registration), Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

SUBCHAPTER I. DISSOLUTION OF DISTRICT

Sec. 3970.0901. DISSOLUTION BY CITY ORDINANCE. (a) Authorizes the city by ordinance, except as provided by Subsection (b), to dissolve the district.

(b) Prohibits the city from dissolving the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged.

SECTION 2. Sets forth the 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, 2019.