

## **BILL ANALYSIS**

C.S.H.B. 3564  
By: Eissler  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

HB 3564 creates Montgomery County Road Improvement District No. 1 as a political subdivision of the State of Texas to finance, construct, acquire and develop certain road, street, and bridge improvement and other conservation and reclamation projects in the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

**SECTION 1. CREATION OF DISTRICT.** (a) Creates the Montgomery County Road Improvement District No. 1 as a special district under Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) Authorizes the Board of Directors of the district (board) by resolution to change the name of the district.

**SECTION 2. DECLARATION OF INTENT.** (a) Sets forth findings regarding the necessity of the creation of the district.

(b) Sets forth findings that the creation of the district is essential to accomplish certain purposes.

**SECTION 3. DEFINITIONS.** Defines "board" and "district."

**SECTION 4. BOUNDARIES.** Sets forth the geographical boundaries of the district.

**SECTION 5. FINDINGS RELATED TO BOUNDARIES.** Provides that the boundaries and field notes of the district form a closure. Provides that if a mistake is made in the field notes or in copying the field notes in the legislative process, the mistake does not in any way affect the district's organization, existence, or validity, its 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 a bond, its right to impose or collect an assessment or a tax, or its legality or operation.

**SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.** (a) Provides that the district is created to serve a public use and benefit.

(b) Provides that all the land and other property included in the district will be benefited by the improvements and services to be provided by the district.

(c) Provides that the creation of the district is in the public interest and is essential to further the public purposes of the development and diversification of the economy of the state, eliminate unemployment and underemployment, and develop or expand transportation and commerce.

(d) Provides that the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems in order to alleviate present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds to promote and develop public transportation and pedestrian facilities and systems.

(e) Sets forth the purposes of the district.

(f) Provides that pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) Provides that the district will not act as the agent or instrumentality of any private interest even though

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many private interests will be benefited by the district, as will the general public.

**SECTION 7. APPLICATION OF OTHER LAW.** Provides that Chapter 311, Government Code (Code Construction Act), applies to this Act.

**SECTION 8. CONSTRUCTION OF ACT.** (a) Requires that this Act be liberally construed in conformity with the findings and purposes stated in this Act.

**SECTION 9. BOARD OF DIRECTORS; TERMS.** Sets forth general provisions for the board of directors of the district.

**SECTION 10. QUALIFICATIONS.** Sets forth the qualifications that a person must meet to serve on the board of directors of the district.

**SECTION 11. POWERS OF DISTRICT.** Provides that the district has all the powers and authority provided by the general laws on (1) road districts and road utility districts created under Section 52, Article III, Texas Constitution, and (2) conservation and reclamation districts and municipal management districts created under Section 59, Article XVI, Texas Constitution; which includes Chapters 257 and 441, Transportation Code, Chapter 375, Local Government Code, and Chapters 49 and 54, Water Code.

**SECTION 12. AGREEMENTS; GRANTS.** (a) Provides that a district may make an agreement with or accept a gift, grant, or loan from any person.

(b) Provides that the implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

**SECTION 13. LAW ENFORCEMENT SERVICES.** Authorizes the district, to protect the public interest, to contract with the municipality or the county for the municipality or the county to provide law enforcement services in the district for a fee.

**SECTION 14. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES.** (a) Authorizes the district to impose an ad valorem tax, assessment, or impact fee and use the proceeds of the tax, assessment, or impact fee for any district purpose.

**SECTION 15. ELECTIONS REGARDING TAXES OR BONDS.** (a) Requires the district to hold an election in a manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds that are payable from ad valorem taxes.

(b) Allows the board to include more than one purpose in a single proposition at an election.

**SECTION 16. MAINTENANCE TAX.** (a) Authorizes the district to impose an annual ad valorem tax on taxable property in the district for any district purpose, including to maintain and operate the district, including improvements constructed or acquired by the district or provide a service.

(b) Provides that the board shall determine the tax rate.

**SECTION 17. ASSESSMENTS; PETITIONS REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS.** (a) Authorizes the board to impose and collect an assessment for any purpose authorized by this Act.

(b) Provides that the board may not finance a service or improvement project through an assessment under this Act unless a written petition requesting that service or improvement has been filed with the board. The petition must be signed by: (1) the owners of a majority of the assessed value of real property in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located or (2) at least 25 owners of land in the district that will be subject to the assessment, if more than 25 persons own land in the district that will be subject to the assessment according to the most recent certified tax appraisal roll for the county in which the property is located.

(c) Provides the priority of liens for the district.

(d) Provides that the lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid and the board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

**SECTION 18. OBLIGATIONS.** (a) Provides that the district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants or other money of the district, or any combination thereof, to pay for any authorized purpose of the district.

(b) Provides that the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

**SECTION 19. INITIAL DIRECTORS.** Provides the names of the initial board of directors for the district.

**SECTION 20. ADDITIONAL LEGISLATIVE FINDINGS.** Sets forth legislative findings regarding the

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**SECTION 20. ADDITIONAL LEGISLATIVE FINDINGS.** Sets forth legislative findings regarding the

fulfillment of procedural requirements with respect to the notice, introduction, and passage of this Act.

**EFFECTIVE DATE**

September 1, 2003

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute modifies the original by providing the names of the initial board of directors for the district for purposes under Section 19, whereas the original left blank lines to add the names in the future.

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