

## **BILL ANALYSIS**

C.S.H.B. 3578  
By: Wong  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Upper Kirby Management District (the “District”) was created by Chapter 275, Acts of the 75<sup>th</sup> Legislature, Regular Session, 1997. In 1998, by resolution of its Board of Directors (filed with the Texas Commission on Environmental Quality), the District changed its name to Harris County Improvement District No. 3.

H.B. No. 3578 relates to the powers and duties of the District. The District functions as a municipal management district for the Kirby Drive area within the corporate limits of the City of Houston. It manages a number of government functions in conjunction with the City, including specific improvement projects and programs pertaining to utility systems, public safety, public recreation, mobility, transportation, esthetic maintenance, and economic development. A major initiative of the District is the relocation of overhead utility facilities and lines along its primary corridors.

The bill updates the District’s enacting statute to reflect the correct name of the District as “Harris County Improvement District No. 3”. In connection with utility facility relocation, the bill augments existing District authority to focus assessment programs only on adjacent landowners who directly benefit from the relocations and improvements, at the request of the landowners.

### **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. Changes the District’s name in the heading to Chapter 376, Local Government Code (the “Act”).
- SECTION 2. Changes the District’s name in the creation clause of the Act.
- SECTION 3. Changes the District’s name in the definition clause of the Act.
- SECTION 4. Adds provisions and requirements to the Act pertaining the use of assessments that only benefit part of the District. Requires that such assessments may be imposed only upon written petition by landowners owning a majority of the assessed value of the affected land or 25 or more landowners within the affected area.
- SECTION 6. **USE OF ELECTRICAL OR OPTICAL LINES**  
Provides that the District may use assessment proceeds to finance the relocation of utility lines and cables. Also provides authority for the District acquire and maintain conduits for fiber-optic cable and other transmission lines and facilities.
- SECTION 8. Provides legislative validation and confirmation of all governmental acts and proceedings of the District occurring prior to the bill’s effective date. Standard legal restrictions for validation clause are included.

## **EFFECTIVE DATE**

Upon passage, or, if the bill does not receive the necessary vote, it takes effect September 1, 2003.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The Committee Substitute adds two sections to the bill:

### **SECTION 5: EXEMPTION OF PUBLIC UTILITY FROM FEE OR ASSESSMENT**

The district may not impose a fee or assessment on a gas utility or a telecommunications provider.

### **SECTION 7: PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES**

Subsection (a) provides that the District shall have the power to acquire, lease as lessor or lessee, construct, develop, own, operate and maintain a public transit system within the boundaries of the District.

(b) Prior to doing so, the District must receive a petition requesting the improvement of a facility executed by the owners representing either a majority in value or a majority in square footage of the real property in the District that is abutting the right-of-way in which the improvement of facility is proposed. The calculation of the property owner signing the petition shall be based on the landowners located along the entire right-of-way of the total transit project and not on a block-by block basis.

(c) provides that the District shall have the power to acquire, lease as lessor or as lessee, construct, develop, own, operate and maintain parking facilities or a system of parking facilities. The terms of which are defined.

(d) The Subsection provides that all parking facilities of the District will either be leased to or operated by a private entity or an entity other than the District. The Subsection provides that the District's parking facilities will serve the public purposes described in the Legislative Findings set forth in the bill.

(e) The District's parking facilities will be exempt from the payment of ad valorem taxes and state and local sales and use taxes.

(f) provides that the District may use any of its resources including revenues, assessments, taxes or grants or contract proceeds to pay the cost of acquiring and operating the public transit system and a system of public parking facilities.

(g) The District may adopt rules and regulations covering its public transit system and parking system, except those affecting the use of the public right-of-way requirements for off-street parking must be subject to all applicable municipal charter, code or ordinance requirements.

(h) may set, impose and collect fees, charges and tolls for the use of the public transit and public parking systems.

(I) provides that if the District does not use public funds, then no petition of property owners or public hearing is not required.

(j) provides that if the District's acquisition of real property results in the removal of that property from a taxing unit's tax rolls, the District shall pay to each relevant taxing unit an amount equal to the ad valorem taxes that otherwise would have been levied for the preceding year on that real property without including the value of any improvements constructed on that.

