

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 868
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Intergovernmental Relations
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the Harris County Improvement District No. 1 (district) has the authority to promote the welfare of consumers, visitors, and businesses in the district boundaries. However, no specific authorization exists for the district to develop a public transit system. C.S.S.B. 868 authorizes the district to develop a transit system and public parking facilities.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Harris County Improvement District No. 1 in SECTION 2 (Section 5C, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Sets forth legislative findings.

SECTION 2. Amends Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, by adding a new Section 5A, as follows:

Sec. 5A. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES. (A) Requires the Harris County Improvement District No. 1 (district) to have the power to acquire, lease as lessor or lessee, construct, develop, own, operate and maintain a public transit system to serve the area within the boundaries of the district. Requires there to be filed with the district, before the district may acquire, construct or develop a mass transit improvement or facility pursuant to this subsection, a petition requesting the improvement or facility executed by owners representing either a majority in value or a majority in square footage of the real property in the district abutting the right-of-way in which the improvement or facility is proposed to be located. Requires the calculation of the property owners signing the petition, whether based on value or square footage, to be based on the landowners along the entire right-of-way of the transit project and prohibits it from being calculated on a block by block basis.

(B) Requires the district to have the power to acquire, lease as lessor or lessee, construct, develop, own, operate and maintain parking facilities or a system of parking facilities. Provides that parking facilities include lots, garages, parking terminals or other structure or accommodation for the parking of motor vehicles off the streets and includes equipment, entrances, exits, fencing and other accessories necessary for the safety and convenience in the parking of vehicles. Provides that all parking facilities of the district will either be leased to or operated for the district by a private entity or an entity other than the district. Provides that the district's parking facilities will serve the public purposes expressed in Section 1 of this Act and be owned, used and held for public purposes even if leased or operated by a private entity for a term of years and the district's public parking facilities and any lease to a private entity will be exempt from the payment of ad valorem taxes and state and local sales and use taxes.

(C) Authorizes the district to use any of its resources, including revenues, assessments, taxes, or grant or contract proceeds to pay the cost of acquiring and

operating a public transit system or a system of public parking facilities. Authorizes the district to adopt rules and regulations covering its public transit system and its public parking system provided, however, that any rules relating to or affecting use of the public right-of-way or requirements for off-street parking shall be subject to all applicable municipal charter, code, and ordinance requirements. Authorizes the district to set and determine and authorizes the district to charge impose, levy and collect fees, charges and tolls for the use of the public transit system or the public parking facilities and issue bonds or notes to finance the cost of these facilities. Provides that if the district pays for or finances the cost of acquiring and operating a public transit system or a system of public parking facilities with resources other than assessments, then no petition of property owners or public hearing thereon is required, just as no petition of property owners and public hearing thereon is required for the provision of all other district services and improvements not paid for or financed with assessments. Provides that notwithstanding this section, a petition is required as provided in 5A (A) before the district may construct transit improvements.

(D) Provides that the district is authorized to make contracts, leases, and agreements with, and accept grants and loans from, the United States of America, the state, municipalities, other political subdivisions and private persons or entities to carry out the purposes of this Act upon such terms and conditions and for such period of time as the governing body of the district may determine.

(E) Requires the district, if the district acquisition of property for a parking facility which is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to ad valorem taxation, to pay to the taxing unit in which the property is located, on or before January 1 or each year, as a payment in lieu of taxes, an amount equal to the ad valorem taxes that otherwise would have been levied for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

SECTION 3. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of Harris County Improvement District No. 1 and the district's board of directors that occurred before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final judgment of a court of competent jurisdiction or has been held invalid by a court of competent jurisdiction.

SECTION 4. Effective date: upon passage or September 1, 2003.

SUMMARY OF COMMITTEE CHANGES

SECTION 2. Differs from the original in Section 5C, by adding a requirement that any rules adopted by the district shall be subject to all applicable municipal charters, codes, and ordinances.

Differs from the original in Section 5, by adding proposed Subsection (E).