

BILL ANALYSIS

C.S.S.B 1943
By: Ellis
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.S.B. 1943 creates the Montrose Museum Community Improvement Management District in Houston and provides the district the authority to impose taxes and issue bonds.

Assessments generated by the proposed district will be utilized to provide a myriad of supplemental services that are not, and will not, be funded by the local taxing jurisdictions. They will include enhanced security services, additional lighting with decorative light standards that provide a sense of identity and place. Marketing campaigns and materials to increase public awareness of the area as a destination for entertainment, shopping and dining. Assessments are contemplated to generate approximately \$700,000 yearly to fund supplemental services.

Creation of this district will not create a financial burden to the State, as no state funding will be required to implement the district services. Creation of the district will not increase the burden to the local taxing jurisdictions either. The district will assess commercial property owners for the supplemental services they will provide.

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.

SECTION BY SECTION ANALYSIS

SECTION 1. CREATION OF DISTRICT. Creates the Montrose Museum Community Improvement Management District as a special district under Section 59, Article XVI, Texas Constitution.

SECTION 2. DEFINITIONS. Defines "board" and "district."

SECTION 3. DECLARATION OF INTENT. (a) Sets forth findings that the creation of the district is essential to accomplish certain purposes.

(b) Sets forth findings regarding the necessity of the creation of the district.

(c) Provides that the creation of the district and this legislation are not to relieve Harris County (county) or the City of Houston (municipality) from providing the level of services, as of the effective date of this Act, to the area in the district. Provides that the district is created to supplement and not supplant the county services provided in the area in the district.

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

SECTION 5. FINDINGS RELATING TO BOUNDARIES. Provides that the boundaries and field notes of the district form a closer. Provides that if a mistake is made in the field notes

or in copying the field notes in th legislative process, the mistake does not in any way affect the district 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 land and other property included in the district will benefit from 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 or commerce.

(d) Provides that the district will serve the public purpose of promoting the health, safety and general welfare and provide necessary funding for the economic health and vitality of the district as a community and business center.

(e) 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 part of and necessary components of a street and are considered to be a street or road improvement.

(f) Provides that the district will not act as the agent or instrumentality of any private interest even though many private interest will be benefitted by the district, as will the general public.

SECTION 7. APPLICATION OF OTHER LAW.

Provides that Chapter 375, Local Government Code and Chapter 311, Government Code (Code Construction Act), applies to this Act.

SECTION 8. CONSTRUCTION OF ACT.

Requires that this Act be liberally construed in conformity wit the findings and purposes stated in this Act.

SECTION 9. BOARD OF DIRECTORS IN GENERAL.

Sets forth general provisions for the board of directors if the district.

SECTION 10. QUALIFICATIONS. Specifies the criteria by which Board members are qualified to serve.

SECTION 11. APPOINTMENT OF DIRECTORS.

Provides for the appointment of board members.

SECTION 12. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. Specifies how board members participate in the board activities. Board members with a pecuniary interest in the district must file an affidavit.

SECTION 13. ELECTRONIC TRANSMISSIONS. Specifies how the district may utilize conduits.

SECTION 14. ADDITIONAL POWERS OF DISTRICT. Outlines additional powers.

SECTION 15. AGREEMENTS; GRANTS. Specifies that the district may make agreements for, or accept, gifts.

SECTION 16. 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 17. NONPROFIT CORPORATION.

(a) Authorizes the board by resolution to authorize the creation of a nonprofit corporation to assist and act on behalf of the district in implementing a project or providing a service authorized by this Act.

(b) Requires the board to appoint the board of directors of a nonprofit corporation created under this section. Requires the board of directors of the nonprofit corporation to serve in the same manner, term, and conditions as a board of directors of a local government corporation created under Chapter 431, Transportation Code.

(c) Provides that a nonprofit corporation created under this section has the powers of and is considered for purposes of this Act to be a local government corporation created under Chapter 431, Transportation Code.

SECTION 18. REQUIREMENTS FOR FINANCING SERVICES AND IMPROVEMENTS.

(a) 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.

SECTION 19. ASSESSMENTS.

(a) Authorizes the board to impose and collect an assessment for any purpose authorized by this Act.

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

(c) 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.

(d) Provides that the board may make corrections or deletions from the assessment roll without notice or a hearing as long as the corrections or deletions do not increase the amount of assessment on any one parcel of land.

SECTION 20. UTILITIES.

Provides that a district may not impose an assessment or impact fee on the property, equipment, rights-of-way, facilities, or improvements, of an electric utility or power generation company, or of a person that provides to the public cable television or advanced telecommunications services.

SECTION 21. BONDS.

(a) Authorizes the district to issue bonds or other obligations payable in whole or part from ad valorem taxes, assessments, impact fees, revenue, grants, other money sources of the district or any combination of sources to pay for any authorized purpose of the district.

(b) Authorizes the district to issue a bond or other obligation evidencing a proportionate interest in payments to be made by the district.

SECTION 22. DISBURSEMENTS OR TRANSFERS OF MONEY.

Provides for the procedures required for a disbursement or transfer of the district's money.

SECTION 23. COMPETITIVE BIDDING LIMIT.

Provides that the competitive bidding requirement in Section 375.221, Local Government Code, only applies to a contract that has a value greater than \$25,000.

SECTION 24. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

(a) Authorizes the board to vote to dissolve a district that has debt. Requires the district, if the vote is in favor of dissolution, to remain in existence solely for the limited purpose of discharging the debts. Provides that the dissolution is effective when all debts have been discharged.

(b) Provides that Section 375.264 does not apply to the district.

SECTION 25. INITIAL DIRECTORS.

Provides the names of the initial board of directors for the district.

SECTION 26. LEGISLATIVE FINDINGS.

Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of this Act.

SECTION 27. EFFECTIVE DATE.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by expanding the boundaries of the district, adding a new section specifying notice and approval of property owners, expanding the number of board members to 25, with 7 members serving until 2005 and 18 serving until, changing the competitive bidding limit from \$25,000 to \$15,000, and by specifying the positions, terms, and names of the Board of Directors.