

By: Hochberg

H.B. No. 3631

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Sharpstown International Improvement District; providing the authority to impose taxes and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION OF DISTRICT. (a) The Sharpstown International Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The board by resolution may change the name of the district.

SECTION 2. DEFINITIONS. In this Act:

(1) "Board" means the board of directors of the district.

(2) "District" means the Sharpstown International Improvement District.

SECTION 3. DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this Act.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the area of the district.

1 (c) This Act and the creation of the district may not be
2 interpreted to relieve Harris County or the City of Houston from
3 providing the level of services provided as of the effective date of
4 this Act to the area in the district. The district is created to
5 supplement and not to supplant the county or city services provided
6 in the area in the district.

7 SECTION 4. BOUNDARIES. (a) The district includes all the
8 territory contained in the following described area:

9 The following tract of land in the City of Houston, Harris County,
10 Texas:

11 POINT OF BEGINNING, the Northeast corner of the intersection of
12 Renwick and Richmond Avenue; thence West along the Northern
13 boundary of the Richmond Avenue right-of-way to the Northwest
14 corner of the intersection of Richmond Avenue and South Gessner
15 Road; thence South along the East boundary of South Gessner Road to
16 the intersection of South Gessner Road and Alief Clodine Road;
17 thence West along South boundary of Alief Clodine Road to the
18 intersection of Alief Clodine Road and Beltway 8; thence south
19 along the East Boundary of Beltway 8 to the intersection of Beltway
20 8 and Bellaire; thence west along South boundary of Bellaire
21 Boulevard right-of-way to the intersection of the Eastern Bank of
22 Brays Bayou; thence Northwesterly along the Bank of Brays Bayou to
23 the intersection of Brays Bayou, to the North boundary of
24 Alief-Clodine Road right-of-way; thence along the North boundary of
25 Alief-Clodine Road right-of-way to the West boundary of Dairy
26 Ashford Road right-of-way; thence south along the West boundary of
27 Dairy Ashford Road right-of-way to the South boundary of Bissonnet

1 Street right-of-way; thence East along the Southern boundary of
2 Bissonnet Street right-of-way to the West boundary of Wilcrest
3 Drive right-of-way; thence South along the West boundary of
4 Wilcrest Drive right-of-way; thence South along the West boundary
5 of Wilcrest Drive right-of-way to the South Boundary of U.S.
6 Highway 59 right-of-way; thence Northeast along the South boundary
7 of U.S. Highway 59 right-of-way to the Southern Bank of Keegans
8 Bayou; thence Northeast along the South Bank of Keegans Bayou to the
9 South boundary of South Braeswood Boulevard right-of-way; thence
10 along the South Boundary of South Braeswood Boulevard right-of-way
11 to the East Boundary of South Gessner Road right-of-way; thence
12 North along East boundary of South Gessner Road right-of-way to the
13 South boundary of Bissonnet Street right-of-way; thence Northeast
14 along the South boundary of Bissonnet Street right-of-way to the
15 East boundary of Hillcroft Avenue right-of-way; thence North along
16 the East boundary of Hillcroft Avenue right-of-way to the South
17 boundary of U.S. Highway 59 right-of-way; thence Northeast along
18 the South boundary of the U.S. Highway 59 right-of-way to the South
19 boundary of the Westpark Drive right-of-way; thence East along the
20 South boundary of Westpark Drive right-of-way to the East Bound of
21 Renwick Drive right-of-way; thence North along East boundary of
22 Renwick Drive right-of-way to the POINT OF BEGINNING.

23 (b) At the first meeting of the board, the board shall
24 authorize a survey to detemine whether any single-family detached
25 residential property is located in the district. On completion of
26 the survey, the board shall act to exclude any single-family
27 detached residential property from the district.

1 SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries
2 and field notes of the district form a closure. A mistake in the
3 field notes or in copying the field notes in the legislative process
4 does not in any way affect the district's:

5 (1) organization, existence, or validity;

6 (2) right to issue any type of bond for a purpose for
7 which the district is created or to pay the principal of and
8 interest on a bond;

9 (3) right to impose or collect an assessment or tax; or

10 (4) legality or operation.

11 SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The
12 district is created to serve a public use and benefit.

13 (b) All land and other property included in the district
14 will benefit from the improvements and services to be provided by
15 the district under powers conferred by Sections 52 and 52-a,
16 Article III, and Section 59, Article XVI, Texas Constitution, and
17 other powers granted under this Act.

18 (c) The creation of the district is in the public interest
19 and is essential to:

20 (1) further the public purposes of development and
21 diversification of the economy of the state;

22 (2) eliminate unemployment and underemployment; and

23 (3) develop or expand transportation and commerce.

24 (d) The district will:

25 (1) promote the health, safety, and general welfare of
26 residents, employers, employees, visitors, and consumers in the
27 district, and of the public;

1 (2) provide needed funding to preserve, maintain, and
2 enhance the economic health and vitality of the district as a
3 community and business center; and

4 (3) promote the health, safety, welfare, and enjoyment
5 of the public by providing pedestrian ways and by landscaping and
6 developing certain areas in the district, which are necessary for
7 the restoration, preservation, and enhancement of scenic beauty.

8 (e) Pedestrian ways along or across a street, whether at
9 grade or above or below the surface, and street lighting, street
10 landscaping, and street art objects are parts of and necessary
11 components of a street and are considered to be a street or road
12 improvement.

13 (f) The district will not act as the agent or
14 instrumentality of any private interest even though the district
15 will benefit many private interests as well as the public.

16 SECTION 7. APPLICATION OF OTHER LAW. (a) Except as
17 otherwise provided by this Act, Chapter 375, Local Government Code,
18 applies to the district.

19 (b) Chapter 311, Government Code (Code Construction Act),
20 applies to this Act.

21 SECTION 8. CONSTRUCTION OF ACT. This Act shall be liberally
22 construed in conformity with the findings and purposes stated in
23 this Act.

24 SECTION 9. BOARD OF DIRECTORS IN GENERAL. (a) The district
25 is governed by a board of nine directors appointed under Section 11
26 of this Act.

27 (b) Directors serve staggered terms of four years, with five

1 directors' terms expiring June 1 of an odd-numbered year and four
2 directors' terms expiring June 1 of the following odd-numbered
3 year.

4 SECTION 10. QUALIFICATIONS. (a) To be qualified to serve
5 as a director, a person must be at least 18 years old and:

6 (1) an owner of property subject to assessment by the
7 district;

8 (2) an owner of a beneficial interest in a trust that
9 owns property subject to assessment by the district; or

10 (3) an agent, employee, or tenant nominated by a
11 person described in Subdivision (1) or (2).

12 (b) Section 375.063, Local Government Code, does not apply
13 to the district.

14 SECTION 11. APPOINTMENT OF DIRECTORS. The mayor and
15 members of the governing body of the City of Houston shall appoint
16 directors from persons recommended by the board. A person is
17 appointed if a majority of the members of the governing body,
18 including the mayor, vote to appoint that person.

19 SECTION 12. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (a)
20 Except as provided by this section:

21 (1) a director may participate in all board votes and
22 decisions; and

23 (2) Chapter 171, Local Government Code, governs
24 conflicts of interest for directors.

25 (b) Section 171.004, Local Government Code, does not apply
26 to the district. A director who has a substantial interest in a
27 business or charitable entity that will receive a pecuniary benefit

1 from a board action shall file a one-time affidavit declaring the
2 interest. An additional affidavit is not required if the
3 director's interest changes. After the affidavit is filed with the
4 board secretary, the director may participate in a discussion or
5 vote on that action if:

6 (1) a majority of the directors have a similar
7 interest in the same entity; or

8 (2) all other similar business or charitable entities
9 in the district will receive a similar pecuniary benefit.

10 (c) A director who is also an officer or employee of a public
11 entity may not participate in the discussion of or vote on a matter
12 regarding a contract with that same public entity.

13 (d) For purposes of this section, a director has a
14 substantial interest in a charitable entity in the same manner that
15 a person would have a substantial interest in a business entity
16 under Section 171.002, Local Government Code.

17 SECTION 13. ELECTRONIC TRANSMISSIONS. (a) The district
18 may acquire, operate, or charge fees for the use of the district
19 conduits for:

20 (1) another person's:

21 (A) telecommunications network;

22 (B) fiber-optic cable; or

23 (C) electronic transmission line; or

24 (2) any other type of transmission line or supporting
25 facility.

26 (b) The district may not require a person to use a district
27 conduit.

1 SECTION 14. ADDITIONAL POWERS OF DISTRICT. The district
2 may exercise the powers given to:

3 (1) a corporation created under Section 4B,
4 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas
5 Civil Statutes); and

6 (2) a housing finance corporation created under
7 Chapter 394, Local Government Code, to provide housing or
8 residential development projects in the district.

9 SECTION 15. AGREEMENTS; GRANTS. (a) The district may make
10 an agreement with or accept a gift, grant, or loan from any person.

11 (b) The implementation of a project is a governmental
12 function or service for the purposes of Chapter 791, Government
13 Code.

14 SECTION 16. LAW ENFORCEMENT SERVICES. To protect the
15 public interest, the district may contract to provide law
16 enforcement services in the district for a fee.

17 SECTION 17. NONPROFIT CORPORATION. (a) The board by
18 resolution may authorize the creation of a nonprofit corporation to
19 assist and act on behalf of the district in implementing a project
20 or providing a service authorized by this Act.

21 (b) The board shall appoint the board of directors of a
22 nonprofit corporation. The board of directors of the nonprofit
23 corporation shall serve in the same manner as the board of directors
24 of a local government corporation created under Chapter 431,
25 Transportation Code.

26 (c) The nonprofit corporation:

27 (1) has the powers of and is considered for purposes of

1 this Act to be a local government corporation created under Chapter
2 431, Transportation Code; and

3 (2) may implement any project and provide any service
4 authorized by this Act.

5 SECTION 18. REQUIREMENTS FOR FINANCING SERVICES AND
6 IMPROVEMENTS. The board may not finance a service or improvement
7 project with assessments under this Act unless a written petition
8 requesting that improvement or service has been filed with the
9 board. The petition must be signed by:

10 (1) the owners of a majority of the assessed value of
11 real property in the district subject to assessment as determined
12 by the most recent certified tax appraisal roll for Harris County;
13 or

14 (2) at least 50 owners of real property in the district
15 that is subject to assessment, if more than 50 persons own real
16 property subject to assessment in the district as determined by the
17 most recent certified tax appraisal roll for Harris County.

18 SECTION 19. ASSESSMENTS. (a) The board by resolution may
19 impose and collect an assessment for any purpose authorized by this
20 Act.

21 (b) An assessment, a reassessment, or an assessment
22 resulting from an addition to or correction of the assessment roll
23 by the district, penalties and interest on an assessment or
24 reassessment, an expense of collection, and reasonable attorney's
25 fees incurred by the district:

26 (1) are a first and prior lien against the property
27 assessed;

1 (2) are superior to any other lien or claim other than
2 a lien or claim for county, school district, or municipal ad valorem
3 taxes; and

4 (3) are the personal liability of and charge against
5 the owners of the property even if the owners are not named in the
6 assessment proceedings.

7 (c) The lien is effective from the date of the resolution of
8 the board imposing the assessment until the date the assessment is
9 paid. The board may enforce the lien in the same manner that the
10 board may enforce an ad valorem tax lien against real property.

11 (d) The board may exempt any property from all or a part of
12 the assessments levied on that property or determine that the
13 property will not benefit from the proposed improvement project or
14 services.

15 SECTION 20. RESIDENTIAL PROPERTY. The district may not
16 impose an assessment on residential property.

17 SECTION 21. UTILITIES. The district may not impose an
18 impact fee or assessment on the property, including the equipment,
19 rights-of-way, facilities, or improvements, of an electric utility
20 or a power generation company as defined by Section 31.002,
21 Utilities Code, or a gas utility as defined by Section 101.003 or
22 121.001, Utilities Code, of a telecommunications provider as
23 defined by Section 51.002, Utilities Code, or of a person that
24 provides to the public cable television or advanced
25 telecommunications services.

26 SECTION 22. BONDS. (a) The district may issue bonds or
27 other obligations payable in whole or in part from ad valorem taxes,

1 assessments, impact fees, revenue, grants, or other money of the
2 district, or any combination of those sources of money, to pay for
3 any authorized purpose of the district.

4 (b) The board may not issue bonds for a service or
5 improvement project under this Act unless a written petition
6 requesting that improvement or service has been filed with the
7 board. The petition must be signed by the owners of a majority of
8 the assessed value of real property in the district that will be
9 subject to the assessment as determined by the most recent
10 certified tax appraisal roll for Harris County.

11 (c) In exercising the district's borrowing power, the
12 district may issue a bond or other obligation in the form of a bond,
13 note, certificate of participation or other instrument evidencing a
14 proportionate interest in payments to be made by the district, or
15 other type of obligation.

16 SECTION 23. DISBURSEMENTS OR TRANSFERS OF MONEY. The board
17 by resolution shall establish the number of directors' signatures
18 and the procedure required for a disbursement or transfer of the
19 district's money.

20 SECTION 24. COMPETITIVE BIDDING LIMIT. Section 375.221,
21 Local Government Code, applies to the district only for a contract
22 that has a value greater than \$25,000.

23 SECTION 25. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
24 OUTSTANDING DEBT. (a) The board may vote to dissolve a district
25 that has debt. If the vote is in favor of dissolution, the district
26 shall remain in existence solely for the limited purpose of
27 discharging its debts. The dissolution is effective when all debts

1 have been discharged.

2 (b) Section 375.264, Local Government Code, does not apply
3 to the district.

4 SECTION 26. INITIAL DIRECTORS. (a) The initial board
5 consists of the following persons:

6	Pos. No.	Name of Director
7	1	Wea H. Lee
8	2	Hubert Vo
9	3	Welcome Wilson, Jr.
10	4	Peter Pham
11	5	Toni Franklin
12	6	David Scott
13	7	Kenneth Li
14	8	Robert Tanner
15	9	Maurisa Tolbert

16 (b) Of the initial directors, the terms of directors
17 appointed for positions 1 through 5 expire June 1, 2007, and the
18 terms of directors appointed for positions 6 through 9 expire June
19 1, 2005.

20 (c) Section 11 of this Act does not apply to this section.

21 (d) This section expires September 1, 2007.

22 SECTION 27. LEGISLATIVE FINDINGS. The legislature finds
23 that:

24 (1) proper and legal notice of the intention to
25 introduce this Act, setting forth the general substance of this
26 Act, has been published as provided by law, and the notice and a
27 copy of this Act have been furnished to all persons, agencies,

1 officials, or entities to which they are required to be furnished by
2 the constitution and laws of this state, including the governor,
3 who has submitted the notice and Act to the Texas Commission on
4 Environmental Quality;

5 (2) the Texas Commission on Environmental Quality has
6 filed its recommendations relating to this Act with the governor,
7 lieutenant governor, and speaker of the house of representatives
8 within the required time;

9 (3) the general law relating to consent by political
10 subdivisions to the creation of districts with conservation,
11 reclamation, and road powers and the inclusion of land in those
12 districts has been complied with; and

13 (4) all requirements of the constitution and laws of
14 this state and the rules and procedures of the legislature with
15 respect to the notice, introduction, and passage of this Act have
16 been fulfilled and accomplished.

17 SECTION 28. EFFECTIVE DATE. This Act takes effect
18 immediately if it receives a vote of two-thirds of all the members
19 elected to each house, as provided by Section 39, Article III, Texas
20 Constitution. If this Act does not receive the vote necessary for
21 immediate effect, this Act takes effect September 1, 2003.

COMMITTEE AMENDMENT NO. 1

Amend H.B. No. 3631 as follows:

(1) On page 9, strike lines 13-17, and substitute the following:

and

(2) at least 30 other owners of real property in the district that is subject to assessment, if more than 30 persons own real property in the district that is subject to assessment and did not sign the petition as part of the majority under Subdivision (1).

(2) On page 11, line 22, strike "\$25,000" and substitute "\$15,000".

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COMMITTEE AMENDMENT NO. 2

Amend H.B. No. 3631 as follows:

(1) On page 5, between lines 23 and 24, insert a new SECTION 9 to read as follows:

SECTION 9. NOTICE AND APPROVAL OF PROPERTY OWNERS. (a) Not later than the 30th day before the date of the first board meeting, written notice must be mailed by certified mail, return receipt requested, to each property owner in the district who could be subject to assessment by the district at the address of the property owner as reflected on the most recent certified tax appraisal roll for Harris County.

(b) The notice under Subsection (a) of this section must include:

(1) a description and definition of the Sharpstown International Improvement District;

1 (2) the purpose of the district;

2 (3) a statement that the district, by action of the
3 board, may charge an assessment for improvements to be made in the
4 district;

5 (4) the time, date, and location of the first board
6 meeting; and

7 (5) a method by which the property owner may respond
8 indicating approval or disapproval of the creation of the district.

9 (c) If the majority of the property owners responding before
10 the time of the first board meeting indicate disapproval of the
11 creation of the district, the board may not take any action, except
12 that the board may schedule another meeting and repeat the process
13 provided by this section.

14 (2) Renumber the remaining SECTIONS of the bill as
15 appropriate.

16 78R15890 DRH-F

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