

BILL ANALYSIS

C.S.H.B. 3480
By: Hegar
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Municipal Management Districts, if properly created and maintained, have been hugely successful in encouraging redevelopment in deteriorating or undeveloped areas within many Texas municipalities.

C.S.H.B. 3480 creates West Fort Bend Management District, located in areas overlapping both Richmond and Rosenberg, Texas in western Fort Bend County. The district's stated purposes are to further promote the health, safety, and welfare of residents, employers, visitors and consumers in the district and provide needed funding to the district to preserved, maintain, and enhance the economic health and vitality of the district territory. The district includes only commercial property and may issue bonds, impose an annual ad valorem tax on taxable property, and may impose and collect an assessment on those properties.

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

C.S.H.B. 3480 adds Chapter 3835, Special District Local Laws Code, to create the West Fort Bend Management District.

Subchapter A establishes general provisions including stating the public benefits of the creation of the district including establishing an economic climate that encourages sustained growth. The bill states that the district will benefit from the improvements and services to be provided by the district under powers conferred to management districts under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, establishes the general purposes of the district, and that the district is ruled by the general provisions of Chapter 375, Local Government Code. The subchapter also establishes that all or part of the district is eligible for inclusion in a tax increment reinvestment zone or a tax abatement reinvestment zone.

Subchapter B creates a board consisting of 5 members serving staggered 4 year terms. From persons recommended by the board, the City of Richmond shall appoint two members, the City of Rosenberg shall appoint two members, and the two cities shall jointly appoint the remaining member. Board members are selected by majority vote of the mayor and city council of the city. The bill appoints five initial voting directors..

Subchapter C establishes that the district may exercise the powers of a 4B corporation, a housing finance corporation to provide housing or residential development projects in the district, and may create a nonprofit corporation to assist the district in implementing a project or provide services of the district. The district may exercise the powers to regulate aesthetic development standards and other land use to restrict property use in the district. The district may contract for law enforcement and establish programs to stimulate business and commercial activity in the district by making loans and grants of public money and provide district personnel and services under Chapter 380, Local Government Code.

Subchapter D requires that the district obtain signed approval of a project financed by assessment from the owners of a majority of the assessed value of real property in the district subject to assessment. The board by resolution may impose and collect an assessment for an purpose

authorized by this chapter. The board may impose a lien on a property for the recovery of an assessment and describes restrictions for imposing a lien. The district, at a rate determined by the board, may impose an ad valorem tax if authorized by an election to administer the district, maintain and operate the district, construct or acquire improvements, or provide a service. The district may issue bonds or other obligations payable by assessments, impact fees, or other money of the district in exercising the district's power to borrow. Before issuing a bond payable from ad valorem taxes or imposing a maintenance tax, the district shall hold an election described by Chapter 375, Local Government Code.

Subchapter E describes the district's powers of dissolution.

EFFECTIVE DATE

This Act takes effect September 1, 2005 or immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute adds language allowing the district to contract with other political subdivisions, a section specifically giving the powers under Chapter 375, Local Government Code, to the district, and adds a provision authorizing the district to apply an assessment to a portion of the district. The substitute modifies provisions for bidding, corrects a reference to a maintenance tax that was made to an ad valorem tax in the original version, and removes a requirement for board members of a nonprofit corporation created by the district to be a resident of the district.

Finally, the substitute removes a provision giving the district the power to regulate land use under Chapter 211, Local Government Code. The substitute does authorize the district to establish architectural and landscaping standards for new construction or development, but may not establish these standards unless the governing bodies of the City of Richmond and the City of Rosenberg authorize the establishment of these standards through the passage of a resolution. The standards are in addition to the regulations of the municipalities and may be dissolved by the two municipalities.