

## **BILL ANALYSIS**

C.S.H.B. 3522  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

C.S.H.B. 3522 creates the West Ranch Management District as a political subdivision of the State of Texas to administer and provide funding for community improvement projects and services in the district, which is located entirely within the City of Friendswood and Galveston and Harris Counties. The District will be a municipal management district similar to Chapter 375, Local Government Code, and Title 4, Special Districts Code.

### **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. 352 creates the West Ranch Management District under Section 59, Article XVI, Texas Constitution. The bill defines public purpose of the district and allows the district to be eligible for inclusion in tax increment reinvestment zones, tax abatement reinvestment zones, and enterprise zone created .

The bill establishes that the district is governed by a board of five directors serving staggered terms. This bill sets forth provisions regarding the appointment of directors and nonvoting directors, defines the requirements for membership on the board and a quorum of the board, names the three of the initial directors of the district, and provides for their terms of office. The City of Friendswood will be able to appoint directors to positions 1 and 2 of the board. The bill sunsets this subsection on September 1, 2009.

The district may construct, acquire, or finance an educational facility, authorizes the board to contract for law enforcement, establish and provide for the administration of one or more programs to promote state or local economic development, and prevents the district from exercising the power of eminent domain.

The board by resolution will determine the number of directors' signatures required for the disbursement of the district's money, provides that the board may not finance a service or improvement project with assessments unless a written petition requesting that improvement or service has been filed with the board, signed by the owners of a majority of the assessed value of real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Galveston County and Harris County. If authorized at an election, the district may impose an annual ad valorem tax on taxable property in the district, the tax rate being determined by the board. The board may also issue bonds to pay for authorized purposes of the district, if the project is approved by the City of Friendswood.

The bill provides for when the taxes for bonds and other obligations are issued, the district is required to hold an election to obtain voter approval. The bill provides that the city is not required to pay district obligations and that Subchapter I, Chapter 49, Water Code applies to the district for a contract to acquire or construct a water, wastewater, or a drainage or detention improvement. All other project bidding is subject to that required of a local government corporation created under Chapter 431, Local Government Code.

The bill provides that the board may vote to dissolve the district and provides that the district shall discharge its debts. Once such debts are discharged, the dissolution will be effective. Provides that Section 375.264, Local Government Code, does not apply to the district.

Finally, the bill sets forth the metes and bounds of the West Ranch Management District.

#### **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 authorizes a person who owns at least 25 percent of the land within the district to submit a list of potential board directors and deletes the ability for any eligible person for appointment to the board, adds a provision relating to a quorum of members in which a voting member abstains from a vote, and deletes references of filing conflict of interest statements. The substitute also includes a provision relating to competitive bidding proposals and removes the power of eminent domain granted to the district in the original version of the bill.