

BILL ANALYSIS

C.S.H.B. 3554
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Imperial Sugar Company began its business in the early 1900s at its current site in Sugar Land, Texas, taking over sugar refining operations that had been underway since the mid-1800s and is the oldest business in Texas operating at the same location for over 150 years. The Imperial Sugar Company closed the Sugar Land refinery in May 2003 and announced its plans to sell the 160-acre former refinery site while retaining the company's corporate offices in Sugar Land. The City of Sugar Land and its partner, Cherokee Sugar Land, LLC, desire to redevelop the historic mill and surrounding property into a mixed use development, including office, retail, civic and residential properties. The redevelopment of the Imperial Sugar mill site faces unique problems including the conversion of a former industrial site, historic preservation and extraordinary infrastructure needs. The Imperial Redevelopment District will be utilized as a financing vehicle to address these public infrastructure requirements.

The Committee Substitute for House Bill 3554 creates the Imperial Redevelopment District as a political subdivision of the State of Texas to administer and provide funding for water, sewer and drainage facilities, parks and roads in the District, which is located entirely within the City of Sugar Land, Texas.

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. 3554 creates the Imperial Redevelopment District under Section 52, Article III, Section 1-g, Article VIII, and Section 59, Article XVI, Texas Constitution. The bill defines public purpose of the district and authorizes public improvements authorized for tax increment reinvestment zones.

The bill establishes that the Imperial Redevelopment District is governed by a board of five directors serving staggered four year terms. This bill sets forth provisions regarding the appointment of directors, defines the requirements for a quorum of the board, names the initial directors of the district, and provides for their terms of office. The bill sunsets this subsection on September 1, 2010.

The bill authorizes the district to construct, acquire, improve, maintain, or operate roads and sets forth restrictions and requirements for constructing and operating those roads.

The bill defines the financial provisions of the district. The district may issue bonds, without an election, secured by revenue or contract payments from any source other than ad valorem taxation. The district must hold an election to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes. Bonds or ad valorem taxes may pay for roads or any other project authorized for construction to this district.

The bill provides for the issuance of bonds or other obligations payable wholly or partially from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination; these can take the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

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Finally, the bill sets forth the obligations of the district to obtain the review and approval of the Texas Commission on Environmental Quality for bonds or other obligations issued by the 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 is a Legislative Council draft, which makes non-substantive changes. The substitute also sets forth the geographical boundaries of the District which were not included in the introduced bill. Finally, the substitute removes the power of eminent domain, whereas the original provided for such power.