

## **BILL ANALYSIS**

S.B. 1764  
By: Gallegos  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Airline and Belmar areas are located in Harris County and are surrounded by the City of Houston but excluded from its corporate limits. The geographic boundaries as proposed by S.B. 1764 are areas that have experienced population growth along with extreme economic decline and social change. The population growth, economic decline, and social change have combined to create public needs that state law does not empower a county government to serve. S.B. 1764 creates an airline improvement district to serve these areas.

### **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**

S.B. 1764 creates the Airline Improvement District (district) in the Airline/Belmar community areas of Harris County. The bill specifies that the district is governed by a board of nine directors (board) and sets forth guidelines concerning the structure, composition, and powers of the board. The bill names and sets forth the terms of service of the initial board members.

The bill authorizes the district to exercise the powers of a development corporation and to contract with the municipality or county for the provision of law enforcement services. The bill provides that the district must obtain approval from the governing body of the City of Houston of plans and specifications of an improvement project financed by bonds. The bill authorizes the district to join charitable organizations and prohibits the district from exercising the power of eminent domain.

The bill authorizes the board to impose and collect assessments. The bill authorizes the district to impose a sales and use tax, and specifies its use, if authorized by a majority of the qualified voters of the district. The bill prohibits the district from adopting a tax if the resulting combined sales and use tax rate in the district would be greater than two percent. The bill authorizes the district to impose an ad valorem tax on taxable property for specified purposes if the tax is authorized by a majority of the voters of the district voting at an election called for that purpose, and requires the board to determine the tax rate. The bill exempts from an impact fee or assessment any resident property or the property of an electric utility or a telecommunications provider.

The bill authorizes the board to dissolve a district that has debt, and requires the district to remain in existence for the purpose of discharging its debts at which time the dissolution is effective.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.