

BILL ANALYSIS

Senate Research Center

S.B. 1836
By: Barrientos
Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 1836 creates the Pflugerville Municipal Management District No. 1 and sets forth the boundaries, governance, and powers of the district, which include the authority to issue bonds and impose a tax.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3819, as follows:

CHAPTER 3819. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3819.001. DEFINITIONS. Defines "board," "county," "district," "municipality," and "utility."

Sec. 3819.002. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1.
(a) Sets forth that the Pflugerville Municipal Management District No. 1. (district) is a special district created under Section 59, Article XVI, Texas Constitution.

(b) Authorizes the board of directors of the district (board) by resolution to change the district's name.

Sec. 3819.003. PURPOSE; DECLARATION OF INTENT. Sets forth the purpose and intent in the creation of the district.

Sec. 3819.004. DISTRICT TERRITORY. Provides that the district is composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect the validity, legality, or certain rights of the district.

Sec. 3819.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Sets forth the public purpose of the district.

Sec. 3819.006. APPLICABILITY OF OTHER LAW. Provides that except as provided by this chapter, Chapter 375 (Municipal Management Districts in General), Local Government Code, applies to the district.

Sec. 3819.007. LIBERAL CONSTRUCTION OF CHAPTER. Requires this chapter to be liberally construed in conformity with the findings and purposes stated in this chapter.

[Reserves Sections 3819.008-3819.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3819.051. BOARD OF DIRECTORS; TERMS; COMPENSATION. Provides that the district is governed by a board of 11 directors who serve staggered four-year terms. Requires a director to receive compensation as provided by Section 49.060 (Fees of Office; Reimbursement), Water Code.

Sec. 3819.052. APPOINTMENT OF DIRECTORS. (a) Requires the mayor and members of the governing body of the municipality (governing body) to appoint directors from among persons recommended by the board. Provides that a person is appointed if a majority of the members and the mayor vote to appoint the person.

(b) Prohibits a person from being appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the municipality.

Sec. 3819.053. EX OFFICIO DIRECTORS. (a) Sets forth that certain persons, including the directors of specific departments of the municipality, serve as nonvoting ex officio directors.

(b) Authorizes the board, if a department described by Subsection (a) is consolidated, renamed, or changed, to appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. Authorizes the board, if a department described by Subsection (a) is abolished, to appoint a representative of another department of the municipality that performs duties comparable to those performed by the abolished department.

(c) Authorizes the board to appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the municipality's midtown area to serve as a nonvoting ex officio director.

Sec. 3819.054. CONFLICTS OF INTEREST. (a) Authorizes a director, except as provided in this section, to participate in all board votes and decisions. Sets forth that except as provided in this section Chapter 171 (Regulations of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, governs conflicts of interest of board members.

(b) Provides that Section 171.004 (Affidavit and Abstention From Voting), Local Government Code, does not apply to the district. Requires a director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action to file an affidavit with the board secretary declaring the interest. Provides that another affidavit is not required if the director's interest changes.

(c) Authorizes the director, after the affidavit is filed, to participate in a discussion or vote on that action under certain conditions.

(d) Prohibits a director who is an officer or employee of a public entity from participating in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) Sets forth that for the purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002 (Substantial Interest in Business), Local Government Code.

Sec. 3819.055. INITIAL VOTING DIRECTORS. Sets forth that the initial board consists of certain voting directors. Provides that the terms of directors appointed for positions 1 through 6, of the initial voting directors, expire June 1, 2009, and the terms of directors appointed for positions 7 through 11 expire June 1, 2007. Provides that Section

3819.052 does not apply to the appointment of initial voting directors under this section. Provides that this section expires September 1, 2009.

[Reserves Sections 3819.056-3819.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3819.101. **DISTRICT POWERS.** Authorizes the district to exercise powers given to certain entities. Authorizes the district to exercise powers in an area outside the district if the board determines that exercising that power benefits the district.

Sec. 3819.102. **AGREEMENTS, GRANTS, DONATIONS AND LOANS.** (a) Authorizes the district to enter into an agreement with or accept a donation, grant, or loan from any person.

(b) Sets forth that the implementation of a project is a governmental function or service for the purposes of Chapter 791 (Interlocal Cooperation Contracts), Government Code.

Sec. 3819.103. **AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.** Authorizes the district, to protect the public interest, to contract with the municipality or county to provide law enforcement services in the district for a fee.

Sec. 3819.104. **NONPROFIT CORPORATION.** (a) Authorizes the board by resolution to authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) Requires the board to appoint the board of directors of the nonprofit corporation. Requires the board of directors of the nonprofit corporation to serve in the same manner as, for the same term as, and on the same conditions of the board of directors of a local government corporation created under Chapter 431 (Texas Transportation Corporation Act), Transportation Code.

(c) Sets forth the authority of a nonprofit corporation under this chapter.

Sec. 3819.105. **ANNEXATION.** Provides that the district, in addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, has the authority to annex territory located in a reinvestment zone created by the municipality under Chapter 311 (Code Construction Act), Tax Code, if the governing body consents to the annexation.

Sec. 3819.106. **COMPETITIVE BIDDING.** Provides that Section 375.221 (Competitive Bidding on Certain Public Works Contracts), Local Government Code, does not apply to a district contract for \$25,000 or less.

[Reserves Sections 3819.107-3819.150 for expansion.]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3819.151. **ASSESSMENTS; LIENS FOR ASSESSMENTS.** (a) Authorizes the board by resolution to impose and collect an assessment for any purpose authorized by this chapter.

(b) Provides that an assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are first and prior lien. Sets forth characteristics of the lien.

(c) Provides that the lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. Authorizes the

board to enforce the lien in the same manner that the board is authorized to enforce an ad valorem tax lien against real property.

Sec. 3819.152. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) Prohibits the board from financing a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) Requires a petition requesting a project financed by assessment to be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3819.153. ELECTIONS REGARDING TAXES OR BOND. (a) Requires the district, in addition to the elections required under Subchapter L, Chapter 375, Local Government Code, to hold an election in the manner provided by that subchapter to obtain voter approval before the district is authorized to take certain actions.

(b) Authorizes the board to include more than one purpose in a single proposition at an election.

Sec. 3819.154. MAINTENANCE TAX. (a) Authorizes the district to impose an annual ad valorem tax on taxable property in the district and the improvements constructed or acquired by the district to provide a service under certain conditions.

(b) Requires the board to determine the tax rate.

Sec. 3819.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. Prohibits a district from imposing an assessment or impact fee on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public.

Sec. 3819.156. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Requires the district, except as provided by Subsection (b), to obtain the approval of the governing body to take certain actions.

(b) Authorizes the district, if it receives the approval of the governing body of a capital improvements budget for a period not to exceed five years, to finance the capital improvements and issue bonds specified in the budget without further approval from the municipality.

Sec. 3819.157. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Provides that, except as provided by Section 375.263 (Dissolution by Municipal Ordinance), Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Sec. 3819.158. DISBURSEMENTS AND TRANSFERS OF MONEY. Requires the board by resolution to establish the number of directors' signatures and the procedure required for the disbursement or transfer of the district's money.

[Reserves Sections 3819.159-3819.200 for expansion.]

SUBCHAPTER E. DISSOLUTION

Sec. 3819.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) Authorizes the board to dissolve the district regardless of whether the district has debt. Provides that Section 375.264 (Limitation), Local Government Code, does not apply to the district.

(b) Requires the district, if the district has debt when it is dissolved, to remain in existence solely for the purpose of discharging its debts. Provides that the dissolution is effective when all debts have been discharged.

SECTION 2. Sets forth the territory of the district.

SECTION 3. Provides that all of the requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2005.