

By: Hochberg

H.B. No. 3526

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the Greater Sharpstown Management  
3 District; providing authority to levy an assessment, impose a tax  
4 and issue a bond or similar obligation.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. GREATER SHARPSTOWN MANAGEMENT DISTRICT.  
7 Subtitle C, Title 4, Special District Local Laws Code, is amended by  
8 adding Chapter 3850 to read as follows:

9 CHAPTER 3850. GREATER SHARPSTOWN MANAGEMENT DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 3850.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the  
13 district.

14 (2) "District" means the Greater Sharpstown  
15 Management District.

16 Sec. 3850.002. GREATER SHARPSTOWN MANAGEMENT DISTRICT. (a)  
17 The Greater Sharpstown Management District is a special district  
18 created under Section 59, Article XVI, Texas Constitution.

19 (b) The board by resolution may change the name of the  
20 district.

21 Sec. 3850.003. PURPOSE; DECLARATION OF INTENT. (a) The  
22 creation of the district is essential to accomplish the purposes of  
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
24 Texas Constitution, and other public purposes stated in this Act.

1       (b) The creation of the district is necessary to promote,  
2 develop, encourage, and maintain employment, commerce,  
3 transportation, housing, tourism, recreation, the arts,  
4 entertainment, economic development, safety, and the public  
5 welfare in the area of the district.

6       (c) This chapter and the creation of the district may not be  
7 interpreted to relieve Harris County or the City of Houston from  
8 providing the level of services provided as of the effective date of  
9 the Act enacting this chapter, to the area in the district. The  
10 district is created to supplement and not to supplant the county or  
11 city services provided in the area in the district.

12       (d) By creating the district and in authorizing the City of  
13 Houston, Harris County, and other political subdivisions to  
14 contract with the district, the legislature has established a  
15 program to accomplish the public purposes set out in Section 52-a,  
16 Article III, Texas Constitution.

17       Sec. 3850.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
18 The district is created to serve a public use and benefit.

19       (b) All land and other property included in the district  
20 will benefit from the improvements and services to be provided by  
21 the district under powers conferred by Sections 52 and 52-a,  
22 Article III, and Section 59, Article XVI, Texas Constitution, and  
23 other powers granted under this chapter.

24       (c) The creation of the district is in the public interest  
25 and is essential to:

26               (1) further the public purposes of development and  
27 diversification of the economy of the state; and

1           (2) eliminate unemployment and underemployment; and

2           (3) develop or expand transportation and commerce.

3           (d) The district will:

4           (1) promote the health, safety, and general welfare of  
5 residents, employers, potential employees, employees, visitors,  
6 and consumers in the district and of the public;

7           (2) provide needed funding for the district to  
8 preserve, maintain, and enhance the economic health and vitality of  
9 the district territory as a community and business center; and

10           (3) promote the health, safety, welfare, and enjoyment  
11 of the public by providing pedestrian ways and by landscaping and  
12 developing certain areas in the district, which are necessary for  
13 the restoration, preservation, and enhancement of scenic beauty.

14           (e) Pedestrian ways along or across a street, whether at  
15 grade or above or below the surface, and street lighting, street  
16 landscaping, parking, and street art objects are parts of and  
17 necessary components of a street and are considered to be a street  
18 or road improvement.

19           (f) The district will not act as the agent or  
20 instrumentality of any private interest even though the district  
21 will benefit many private interests as well as the public.

22           Sec. 3850.005. DISTRICT TERRITORY. (a) The district is  
23 composed of the territory described by Section 2 of the Act enacting  
24 this chapter, as that territory may have been modified under:

25           (1) Subchapter J, Chapter 49, Water Code; or

26           (2) other law.

27           (b) The boundaries and field notes of the district contained

1 in Section 2 of the Act enacting this chapter form a closure. A  
2 mistake in the field notes or in copying the field notes in the  
3 legislative process, does not in any way affect the district's:

4 (1) organization, existence, or validity;

5 (2) right to issue any type of bonds for a purpose for  
6 which the district is created or to pay the principal of and  
7 interest on the bonds;

8 (3) right to impose or collect an assessment or tax; or

9 (4) legality or operation.

10 Sec. 3850.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

11 All or any part of the area of the district is eligible,  
12 notwithstanding other statutory criteria, to be included in:

13 (1) a tax increment reinvestment zone created by a  
14 municipality under Chapter 311, Tax Code;

15 (2) a tax abatement reinvestment zone created by a  
16 municipality under Chapter 312, Tax Code; or

17 (3) an enterprise zone created by a municipality under  
18 Chapter 2303, Government Code.

19 Sec. 3850.007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
20 DISTRICTS LAW. Except as otherwise provided by this chapter,  
21 Chapter 375, Local Government Code, applies to the district.

22 Sec. 3850.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
23 chapter shall be liberally construed in conformity with the  
24 findings and purposes stated in this chapter.

25 [Sections 3850.009-3850.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 3850.051. BOARD OF DIRECTORS; TERMS. (a) The district

1 is governed by a board of nine voting directors who serve staggered  
2 terms of four years, with four or five directors' terms expiring  
3 June 1 of each odd-numbered year.

4 (b) The board by resolution may change the number of voting  
5 directors on the board, but only if the board determines that the  
6 change is in the best interest of the district. The board may not  
7 consist of fewer than five or more than 15 voting directors.

8 Sec. 3850.052. APPOINTMENT OF DIRECTORS. The mayor and  
9 members of the governing body of the City of Houston shall appoint  
10 voting directors from persons recommended by the board. A person is  
11 appointed if a majority of the council and the mayor vote to appoint  
12 that person.

13 Sec. 3850.053. NONVOTING DIRECTORS. (a) The following  
14 persons serve as nonvoting directors:

15 (1) the directors of the following departments of the  
16 City of Houston or a person designated by that director:

17 (A) parks and recreation;

18 (B) planning and development;

19 (C) public works; and

20 (D) civic center; and

21 (2) the City of Houston's chief of police.

22 (b) If a department described by Subsection (a) is  
23 consolidated, renamed, or changed, the board may appoint director  
24 of the consolidated, renamed, or changed department as a nonvoting  
25 director. If a department described by Subsection (a) is abolished,  
26 the board may appoint a representative of another department that  
27 performs duties comparable to those performed by the abolished

1 department.

2 Sec. 3850.054. QUORUM. For the purposes of determining the  
3 requirements for a quorum of the board, the following are not  
4 counted:

5 (1) a board position vacant for any reason, including  
6 death, resignation, or disqualification;

7 (2) a director who is abstaining from participation in  
8 a vote because of a conflict of interest; or

9 (3) a nonvoting director.

10 Sec. 3850.055. INITIAL VOTING DIRECTORS. (a) The initial  
11 board consists of the following directors:

12 Pos. No. Name of Director

13 1 Kenneth Li

14 2 Wellcome Wilson, Jr.

15 3 Michael Laster

16 4 Maurisa Tolbert

17 5 Chris Vasquez

18 6 Toni Franklin

19 7 Tracey Suttles

20 8 Don Wong

21 9 (Vacant)

22 (b) Of the initial voting directors, the terms of directors  
23 appointed for positions 1 through 5 expire June 1, 2007, and the  
24 terms of directors appointed for positions 6 through 9 expire June  
25 1, 2009.

26 (c) Section 3850.052 does not apply to this section.

27 (d) This section expires September 1, 2010.

1 [Sections 3850.056-3850.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3850.101. ADDITIONAL POWERS OF DISTRICT. The district  
4 may exercise the powers given to a corporation under Section 4B,  
5 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas  
6 Civil Statutes), including the power to own, operate, acquire,  
7 construct, lease, improve, or maintain projects described by that  
8 section.

9 Sec. 3850.102. NONPROFIT CORPORATION. (a) The board by  
10 resolution may authorize the creation of a nonprofit corporation to  
11 assist and act for the district in implementing a project or  
12 providing a service authorized by this chapter.

13 (b) The nonprofit corporation:

14 (1) has each power of and is considered for purposes of  
15 this chapter to be a local government corporation created under  
16 Chapter 431, Transportation Code; and

17 (2) may implement any project and provide any service  
18 authorized by this chapter.

19 (c) The board shall appoint the board of directors of the  
20 nonprofit corporation. The board of directors of the nonprofit  
21 corporation shall serve in the same manner as the board of directors  
22 of a local government corporation created under Chapter 431,  
23 Transportation Code; provided that they need not live in the  
24 district.

25 Sec. 3850.103. AGREEMENTS; GRANTS. (a) The district may  
26 make an agreement with or accept a gift, grant, or loan from any  
27 person.

1       (b) The implementation of a project is a governmental  
2 function or service for the purposes of Chapter 791, Government  
3 Code.

4       Sec. 3850.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.  
5 To protect the public interest, the district may contract with a  
6 qualified party, including Harris County or the City of Houston to  
7 provide law enforcement services in the district for a fee.

8       Sec. 3850.105. APPROVAL BY CITY OF HOUSTON. (a) Except as  
9 provided by Subsection (b), the district must obtain the approval  
10 of the City of Houston, by either official action of the governing  
11 body of the city with respect to item (1) or through issuance of a  
12 permit with respect to items (2) and (3), for:

13             (1) the issuance of bonds for each improvement  
14 project;

15             (2) the plans and specifications of the improvement  
16 project financed by bonds; and

17             (3) the plans and specifications of any district  
18 improvement project related to the use of land owned by the City of  
19 Houston, an easement granted by the City of Houston, or a  
20 right-of-way of a street, road, or highway.

21       (b) The approval obtained for the issuance of bonds under  
22 Subsection (a) must be a resolution by the City of Houston. The  
23 approval obtained for plans and specifications must be a permit  
24 issued by the City of Houston.

25       (c) If the district obtains approval from the governing body  
26 of the City of Houston for a capital improvements budget for a  
27 period not to exceed five years, the district may finance the



1 capital improvements and issue bonds specified in the budget  
2 without further approval from the City of Houston.

3 Sec. 3850.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
4 district may join and pay dues to an organization that:

5 (1) enjoys tax-exempt status under Section 501(c)(3),  
6 (4), or (6), Internal Revenue Code of 1986; and

7 (2) performs a service or provides an activity  
8 consistent with the furtherance of a district purpose.

9 Sec. 3850.107. ECONOMIC DEVELOPMENT PROGRAMS. The district  
10 may establish and provide for the administration of one or more  
11 programs to promote state or local economic development and to  
12 stimulate business and commercial activity in the district,  
13 including programs to:

14 (1) make loans and grants of public money; and

15 (2) provide district personnel and services.

16 (b) The district has all of the powers and authority of a  
17 municipality under Chapter 380, Local Government Code.

18 Sec. 3850.108. NO EMINENT DOMAIN. The district may not  
19 exercise the power of eminent domain.

20 [Sections 3850.109-3850.150 reserved for expansion]

21 SUBCHAPTER D. FINANCIAL PROVISIONS

22 Sec. 3850.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
23 board by resolution shall establish the number of directors'  
24 signatures and the procedure required for a disbursement or  
25 transfer of the district's money.

26 Sec. 3850.152. PETITION REQUIRED FOR FINANCING SERVICES AND  
27 IMPROVEMENTS WITH ASSESSMENTS. (a) The district may acquire,

1 construct, finance, operate and maintain any improvement or service  
2 authorized pursuant to this Act or Chapter 375, Local Government  
3 Code, using all funds available to the district. The board may not  
4 finance a service or improvement project with assessments under  
5 this chapter unless a written petition requesting that service or  
6 improvement has been filed with the board.

7 (b) A petition filed under Subsection (a) may be dated  
8 before or after the creation of the district and must be signed by:

9 (1) the owners of a majority of the assessed value of  
10 real property in the district subject to assessment as determined  
11 by the most recent certified tax appraisal roll for County; or

12 (2) at least 50 persons who own real property in the  
13 district, if more than 50 persons own real property in the district  
14 as determined by the most recent certified tax appraisal roll for  
15 Harris County.

16 Sec. 3850.153. METHOD OF NOTICE FOR HEARING. The district  
17 may mail the notice required by Section 375.115(c), Local  
18 Government Code, by either certified or first class United States  
19 mail, as determined by the board to give adequate notice. If first  
20 class mail is used, such notice must additionally be published in a  
21 newspaper of general circulation in the district at least 20 days  
22 before the event of which the district is giving notice.

23 Sec. 3850.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
24 The board by resolution may impose and collect an assessment in all  
25 or part of the district for any purpose authorized by this chapter.

26 (b) An assessment, reassessment, or an assessment resulting  
27 from an addition to or correction of the assessment roll by the

1 district, penalties and interest on an assessment or reassessment,  
2 an expense of collection, and reasonable attorney's fees incurred  
3 by the district:

4 (1) are a first and prior lien against the property  
5 assessed;

6 (2) are superior to any other lien or claim other than  
7 a lien or claim for county, school district, or municipal ad valorem  
8 taxes; and

9 (3) are the personal liability of and charge against  
10 the owners of the property even if the owners are not named in the  
11 assessment proceedings.

12 (c) The lien is effective from the date of the board's  
13 resolution imposing the assessment until the date the assessment is  
14 paid. The board may enforce the lien in the same manner that the  
15 board may enforce an ad valorem tax lien against real property.

16 (d) The board may make a correction to or a deletion from the  
17 assessment roll that does not increase the amount of assessment of  
18 any parcel of land without providing notice and holding a hearing in  
19 the manner required for additional assessments.

20 (e) An assessment levied by the board based upon the taxable  
21 value of the property to be assessed may not exceed \$0.12 per \$100  
22 taxable assessed valuation as determined by the Harris County  
23 Appraisal District or its successor.

24 (f) If an assessment is levied within the district by or on  
25 behalf of a public improvement district, such assessment shall be  
26 used only in accordance with the terms under which such assessment  
27 was levied, and may not be transferred to the district for use

1 outside the area on behalf of which such assessment was originally  
2 levied. In addition, a property owner within the district that has  
3 been assessed by such a public improvement district shall receive a  
4 credit against the district's first annual assessment equal to that  
5 year's public improvement district assessment paid with respect to  
6 the applicable property.

7 Sec. 3850.155. AD VALOREM TAX. (a) If authorized at an  
8 election held in accordance with Section 3850.159, the district may  
9 impose an annual ad valorem tax on taxable property in the district  
10 for any purpose, including to:

- 11 (1) maintain and operate the district;
- 12 (2) construct or acquire improvements; or
- 13 (3) provide a service.

14 (b) The board shall determine the tax rate; provided that  
15 the board shall not be authorized to levy an ad valorem tax under  
16 this section in excess of the maximum rate specified in the  
17 proposition authorizing the tax.

18 Sec. 3850.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
19 ASSESSMENTS. (a) The district may not impose an impact fee or  
20 assessment on the property, including the equipment, rights of way,  
21 facilities, or improvements of:

- 22 (1) an electric utility or a power generation company  
23 as defined by Section 31.002, Utilities Code;
- 24 (2) a gas utility as defined by Section 101.003 or  
25 121.001, Utilities Code;
- 26 (3) a telecommunications provider as defined by  
27 Section 51.002, Utilities Code; or

1           (4) a person who provides to the public cable  
2 television or advanced telecommunications services.

3           (b) If the district, in the exercise of the powers conferred  
4 on it by this Act, requires or requests the relocation, rerouting,  
5 or removal of electric, gas, water, sewer, communications, or other  
6 public utilities, as defined by Sections 31.002, 101.003, 121.001,  
7 or 51.002, Utilities Code, the relocation, rerouting, or removal  
8 shall be at the sole expense of the district.

9           Sec. 3850.157. BONDS AND OTHER OBLIGATIONS. (a) The  
10 district may issue bonds or other obligations, payable wholly or  
11 partly from ad valorem taxes, assessments, impact fees, revenue,  
12 grants, or other money of the district, or any combination of those  
13 sources of money, to pay for any authorized purpose of the district.

14           (b) In exercising the district's power to borrow, the  
15 district may issue a bond or other obligation in the form of a bond,  
16 note, certificate of participation or other instrument evidencing a  
17 proportionate interest in payments to be made by the district, or  
18 other type of obligation.

19           Sec. 3850.158. TAXES FOR BONDS AND OTHER OBLIGATIONS. At  
20 the time bonds or other obligations payable wholly or partly from ad  
21 valorem taxes are issued:

22           (1) the board shall impose a continuing direct annual  
23 ad valorem tax, without limit as to rate or amount, for each year  
24 while all or part of the bonds are outstanding; and

25           (2) the district annually shall impose an ad valorem  
26 tax on all taxable property in the district in an amount sufficient  
27 to:

1           (A) pay the interest on the bonds or other  
2 obligations as the interest becomes due;

3           (B) create a sinking fund for the payment of the  
4 principal of the bonds or other obligations when due or the  
5 redemption price at any earlier required redemption date; and

6           (C) pay the expenses of imposing the taxes.

7       Sec. 3850.159. TAX AND BOND ELECTIONS. (a) The district  
8 shall hold an election in the manner provided by Subchapter L,  
9 Chapter 375, Local Government Code, to obtain voter approval before  
10 the district imposes an ad valorem tax or issues bonds payable from  
11 ad valorem taxes.

12       (b) Section 375.243, Local Government Code, does not apply  
13 to the district.

14       Sec. 3850.160. CITY NOT REQUIRED TO PAY DISTRICT  
15 OBLIGATIONS. Except as provided by Section 375.263, Local  
16 Government Code, the City of Houston is not required to pay a bond,  
17 note, or other obligation of the district.

18       Sec. 3850.161. COMPETITIVE BIDDING. Section 375.221, Local  
19 Government Code, applies to the district only for a contract that  
20 has a value greater than \$25, 000.

21       Sec. 3850.162. TAX AND ASSESSMENT ABATEMENTS. The district  
22 may grant, in the manner authorized by Chapter 312, Tax Code, an  
23 abatement for a tax or assessment owed to the district.

24       [Sections 3850.163-3850.200 reserved for expansion]

25                   SUBCHAPTER E. DISSOLUTION

26       Sec. 3850.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING  
27 DEBT. (a) The board may dissolve the district regardless of

1 whether the district has debt. Section 375.264, Local Government  
2 Code, does not apply to the district.

3 (b) If the district has debt when it is dissolved, the  
4 district shall remain in existence solely for the purpose of  
5 discharging its debts. The dissolution is effective when all debts  
6 have been discharged.

7 SECTION 2. BOUNDARIES. As of the effective date of this  
8 Act, the Greater Sharpstown Management District includes all  
9 territory contained in the following described area:

10 Beginning at the intersection of the East Right of Way of  
11 Beltway 8 and the South Right of Way of the Westpark Tollway, Thence  
12 East along the South Right of Way of the Westpark Tollway to the  
13 East Right of Way of Gessner,  
14 Thence North along the East Right of Way of Gessner to the North  
15 Right of Way of Westpark,  
16 Thence East along the North Right of Way of Westpark to the East  
17 Right of Way of Highway 59,  
18 Thence Southwest along the East Right of Way of Highway 59 to the  
19 East Right of Way of Hillcroft,  
20 Thence Southeast following South along the East Right of Way of  
21 Hillcroft to the South Right of Way of Bissonnet,  
22 Thence Southwest along the South Right of Way of Bissonnet to the  
23 West Right of Way of Gessner,  
24 Thence North along the West Right of Way of Gessner to the East  
25 Right of Way of Highway 59,  
26 Thence Southwest along the East Right of Way of Highway 59 to the  
27 East Right of Way of Beltway 8,

1 Thence North along the East Right of Way of Beltway 8, to the Point  
2 of Beginning.

3 SAVE AND EXCEPT the following parcels, identified by their Harris  
4 County Appraisal District account numbers:

5 1034150000001 RES D BLK 4 BELTWAY R/P & EXTN; 1052570000001 RES D  
6 BLK 4 (061\*TR D4) TOWN PARK;0915050000007 TR 19C (001\*TR 19A-2)  
7 SHARPSTOWN ACREAGE;0930640000002 TRS 31 & 31E BLK 31 (001\*TRS  
8 31A-2B 31A-2C 31A-4 & 31A-5) SHARPSTOWN INDUSTRIAL PARK 11;  
9 1071900000004 RES A3 BLK 3 (001\*TR A2) REGENCY SQ OFFICE PARK 3 R/P;  
10 1071900000005 RES A5 BLK 3 (001\*TR 4A) REGENCY SQ OFFICE PARK 3 R/P;  
11 0930630000017 TRS 28G & 28H BLK 28 (001\*TR 28J) SHARPSTOWN  
12 INDUSTRIAL PARK 11; 1170330000001 RES A ROZNOV BUSINESS PARK;  
13 1059760000001 RES A BLK 1 COMMERCE PARK SEC 2; 1169370000001 RES A  
14 MCCALL BUSINESS PARK; 1080620000005 RES A6 & A7 BLK 1 (008\*LT 7 & TR  
15 6A) (061\*TR A7) WESTWOOD CENTER SEC 2; 1080620000009 RES A8 BLK 1  
16 (008\*TR 6A) WESTWOOD CENTER SEC 2; 1080620000010 RES A9 BLK 1  
17 (061\*TR A2) WESTWOOD CENTER SEC 2; 1080620000002 RES A1 BLK 1  
18 (008\*TR 1 BLK 1 PT RES A) WESTWOOD CENTER SEC 2; 1080560000011 RES  
19 A4 & A5 BLK 1 WESTWOOD CENTER SEC 1; 1121370000043 RES B2 (061\*TR  
20 B2) SUGAR BRANCH; 0915440000013 TR 2A-1 BLK 8 (001\*TR 2B-1)  
21 SHARPSTOWN INDUSTRIAL PARK 4

22 SECTION 3. LEGISLATIVE FINDINGS. The legislature finds  
23 that:

24 (1) proper and legal notice of the intention to  
25 introduce this Act, setting forth the general substance of this  
26 Act, has been published as provided by law, and the notice and a  
27 copy of this Act have been furnished to all persons, agencies,



1 officials, or entities to which they are required to be furnished by  
2 the constitution and laws of this state, including the governor,  
3 who has submitted the notice and Act to the Texas Commission on  
4 Environmental Quality;

5 (2) the Texas Commission on Environmental Quality has  
6 filed its recommendations relating to this Act with the governor,  
7 lieutenant governor, and speaker of the house of representatives  
8 within the required time;

9 (3) the general law relating to consent by political  
10 subdivisions to the creation of districts with  
11 conservation, reclamation, and road powers and the inclusion of  
12 land in those districts has been complied with; and

13 (4) all requirements of the constitution and laws of  
14 this state and the rules and procedures of the legislature with  
15 respect to the notice, introduction, and passage of this Act have  
16 been fulfilled and accomplished.

17 SECTION 4. EFFECTIVE DATE. This Act takes effect  
18 immediately if it receives a vote of two-thirds of all the members  
19 elected to each house, as provided by Section 39, Article III, Texas  
20 Constitution. If this Act does not receive the vote necessary for  
21 immediate effect, this Act takes effect September 1, 2005.