BILL ANALYSIS

Senate Research Center

H.B. 3954
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Intergovernmental Relations
5/17/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law authorizes certain counties to develop improvement projects and establish public improvement districts. Bexar County has efficiently used the Local Government Code to develop the Cibolo Canyons.

H.B. 3954 allows an area in Comal County and in the extraterritorial jurisdiction of San Antonio to qualify for the current law which would enable them to create a public improvement district to develop a master planned residential community. The bill also clarifies certain provisions of the current code which have been found problematic in existing public improvement districts.

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 the heading to Section 372.101, Local Government Code, to read as follows:

> Sec. 372.101. DEFINITIONS.

SECTION 2. Amends Subchapter C, Chapter 372, Local Government Code, by adding Section 372.1011, as follows:

> Sec. 372.1011. APPLICABILITY. Provides that this subchapter applies only to a county with a population of 825,000 or more, other than a county that borders on the Gulf of Mexico or a bay or inlet of the gulf or has two municipalities located wholly or partly in its boundaries each having a population of 300,000 or more; or a county with a population of 70,000 or more that is adjacent to a county described by Subdivision (1) in which a municipality with a population of 35,000 or more is primarily situated and includes all or a part of the extraterritorial jurisdiction of a municipality with a population of 1.1 million or more.

SECTION 3. Amends Section 372.102, Local Government Code, as follows:

> Sec. 372.102. New heading: NATURE OF DISTRICT; PURPOSE. Creates a district under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article II, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution. Creates Subsection (b) from existing text.

SECTION 4. Amends Section 372.105, Local Government Code, as follows:

> (a) Deletes existing text providing an exception to this section for a county that borders on the Gulf of Mexico or a bay or inlet of the gulf or a county that has two municipalities located in whole or in part within its boundaries each having a population of 300,000 or more. Authorizes the commissioners court of a county to create a district by order only in a certain area under certain circumstances. Requires the petition described by this

subsection, if the county is a county described by Section 372.1011(2), to also be approved by a resolution adopted by the municipality with a population of 1.1 million or more.

(b) Authorizes a district, for a county described by Section 372.1011(2), to only be created in an area containing at least 2,000 contiguous acres of land that is located wholly or partly in the extraterritorial jurisdiction of a municipality with a population of 1.1 million or more.

(c) Creates this subsection from existing text.

SECTION 5. Amends Sections 372.126(a) and (c), Local Government Code, to prohibit bonds, rather than to prohibit bonds if the population in the district is more than 1,000, from being issued unless approved by a majority of the voters of the district voting in an election held for that purpose. Authorizes bonds, notes, and other district obligations, if the commissioners court grants approval under this section, to be secured by district revenue or any type of district taxes or assessment, or any combination of taxes and revenue pledge to the payment of bonds.

SECTION 6. Amends Section 372.130, Local Government Code, by amending Subsection (b) and adding Subsections (c) and (d), as follows:

(b) Requires a sales and use tax, except as otherwise provided in this subchapter, to be imposed in accordance with Chapter 383 (County Development Districts), Local Government Code, or, rather than and, Chapter 323 (County Sales and Use Tax Act), Tax Code.

(c) Requires the ballot for a sales tax election to be printed to provide for voting for or against the proposition and sets forth the language for such requirement.

(d) Authorizes a tax authorized at an election held under this section to be imposed as a rate less than or equal to the rate printed in the ballot proposition.

SECTION 7. Repealer: Section 372.101(b) (providing that Subchapter C (Improvement Projects in Certain Counties) applies only to a county with a population of 825,000 or more), Local Government Code.

SECTION 8. Provides that all acts and proceedings related to the authorization of any taxes or bonds, including acts and proceedings related to an election, by a district created under Subchapter C, Chapter 372, Local Government Code, before the effective date of this Act are validated, ratified, and confirmed in all respects as if the acts and proceedings occurred as authorized by law. Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

SECTION 9. Effective date: upon passage or September 1, 2007.