

BILL ANALYSIS

C.S.H.B. 4109

By: Eissler

Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Town Center Improvement District (TCID), of Montgomery County, Texas, is a special purpose district with municipal management district and other special district powers. TCID has functioned as an economic development agency and municipal services provider within The Woodlands Town Center and its immediate impact area. Recently, The Woodlands community and the City of Houston announced that an informal agreement had been reached pursuant to which The Woodlands and the City of Houston would seek legislative authority to jointly participate in the funding of regional improvement projects which are of mutual benefit both to The Woodlands and to the City of Houston. H.B. 2197 and its Senate companion S.B. 1012 authorize regional participation agreements by certain large municipalities and certain large, planned communities.

The purpose of C.S.H.B. 4109 is to revise the current powers and authority of TCID, subject to a confirmation election, in order that TCID may expand its current boundaries to include all of The Woodlands community and, on behalf of The Woodlands community, may enter into and perform a regional participation agreement with the City of Houston pursuant to H.B. 2197 and S.B. 1012.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a State office, department, agency, or institution.

ANALYSIS

ARTICLE 1

This Article of the bill contains amendments to the current enabling legislation of TCID that will become effective immediately if the bill receives the required two-thirds vote in each house, or on September 1, 2007; finds that the creation and continued operations of TCID are essential to the accomplishment of the purposes of Article III, Section 52 and 52-a, Texas Constitution, among other purposes; contains findings that the creation and operations of TCID and its works, projects, improvements, and services will provide a substantial benefit to the district, the areas adjacent to the boundaries of the district, and to the State as a whole in several respects; clarifies that Section 375.161, Local Government Code, does not apply to TCID; authorizes TCID to create and utilize a local government corporation under Subchapter D, Chapter 431, Transportation Code, for the purposes, among others, of administering a regional participation agreement with the City of Houston; authorizes TCID to expand its current boundaries to include all of The Woodlands community, except those portions within the corporate limits or extraterritorial jurisdiction of a municipality with a population of more than 1.5 million, unless consent is given by the municipality, by order of the board of directors of TCID, after notice and public hearing, and subject to a confirmation election (this authority expires if the required confirmation election fails); changes the heading of Section 9, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993; provides for an election to change the composition of the board of directors of TCID and to confirm the annexation of the balance of The Woodlands community into TCID, and provides for voting by all qualified voters within the affected areas; authorizes the transition of the current board of directors of TCID to a fully elected board of directors of seven members serving staggered, two-year terms and authorizes the board to call elections for other purposes, including the release from the extraterritorial jurisdiction of a municipality pursuant to a regional participation agreement, the incorporation of the area as a municipality, or the adoption of another form of local government, the authorization of ad valorem taxes, the authorization of bonded indebtedness payable in whole or in part from ad valorem taxes, and the submission of other propositions to the qualified voters of TCID (this authority expires

if the required confirmation election fails to pass in November, 2007); clarifies the procedure for giving notice of creation of an economic development zone under TCID's current enabling legislation; and repeals obsolete provisions of TCID's current enabling legislation.

ARTICLE 2

This Article provides for amendments to TCID's current enabling legislation that become effective only if the required confirmation election passes in November, 2007; authorizes TCID to apply the proceeds from its taxes, fees, and charges to payments required under the terms of a regional participation agreement; revises the qualifications for a member of the board of directors of TCID to require a person only to be a resident of TCID and at least 18 years of age; provides for a quorum of four out of seven directors; eliminates removal of a director by vote of the remaining board of directors; allows for the consolidation of existing economic development zones within TCID; eliminates the necessity for a date of termination of an economic development zone created to provide a continuing improvement project; expands TCID's current authority to issue bonds to include bonds for the purpose of making payments pursuant to a regional participation agreement; authorizes the pledge of voter approved ad valorem taxes, contract revenues, or any combination of such sources to the payment of bonds; and revises TCID's current enabling legislation to prevent dissolution of TCID without the assumption of any outstanding indebtedness or contractual obligations by another governmental entity, but allows dissolution upon the incorporation of TCID.

ARTICLE 3

This Article contains procedural matters and effective dates for this legislation; contains findings of proper and legal notice of intention to introduce this Act; provides that Article 2 of this Act takes effect only if approved at a confirmation election in November, 2007; and provides that Article 1 of the Act takes effect immediately if it receives the necessary two-thirds vote in each house, or otherwise takes effect on September 1, 2007.

EFFECTIVE DATE

Article 2 of this Act takes effect only if approved at a confirmation election in November, 2007. Article 1 of the Act takes effect immediately if it receives the necessary two-thirds vote in each house, or otherwise takes effect on September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 4109 differs from H.B. 4109 in that it clarifies that the district may limit by agreement with a municipality its current or proposed annexation authority; the district may only call an incorporation election according to the terms of a regional participation agreement with a municipality; and bonds of the district issued to make payments under a regional participation agreement are in furtherance of a program authorized pursuant to Article III, Section 52-a, Texas Constitution.