

## **BILL ANALYSIS**

C.S.H.B. 4648  
By: Coleman  
Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In a city without zoning regulations, particularly in areas where deed restrictions have lapsed, the creation of residential management districts would help prevent and eventually roll back the destructive encroachment of marginal commercial development. Legislation is needed to promote the preservation and improvement of single family neighborhoods in the city.

C.S.H.B. 4648 authorizes a municipality with a population of more than 1,900,000 and located in a county with a population of more than two million to create a residential management district if the governing body of the municipality receives a petition requesting creation of the district that describes a proposed area at least 90 percent of which is a residential neighborhood. The bill establishes that the district does not have the power of eminent domain.

### **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**

C.S.H.B. 4648 amends the Local Government Code to authorize the governing body of a municipality with a population of more than 1,900,000 and located in a county with a population of more than two million to create a residential management district if the governing body receives a petition requesting creation of the district that describes a proposed area at least 90 percent of which is a residential neighborhood. The bill requires a petition to be signed by the owners of a majority of the assessed value of the real property in the proposed district according to the most recent certified county property tax rolls or 50 persons who own real property in the proposed district if more than 50 persons own real property in the proposed district according to the most recent certified county property tax rolls. The bill requires a petition to describe the boundaries of the proposed district by metes and bounds or, if there is a recorded map or plat and survey of the area, by lot and block number; include a name of the district, which must be generally descriptive of the location of the district, followed by "Residential Management District"; propose the number of directors the district will have, which must be at least five and not more than nine; include a proposed list of initial directors that includes the directors' experience and initial terms of service; and include a statement of the zoning powers granted to a municipality that it is proposed the district will exercise, subject to an election approving the exercise of those powers.

C.S.H.B. 4648 requires the governing body to hold a hearing to examine the sufficiency of the petition and authorizes any interested person to appear before the governing body in person or by attorney and offer testimony on the sufficiency of the petition and whether the district is feasible and necessary and would be a benefit to all or any part of the land proposed to be included in the district. The bill requires the governing body to set the date, time, and place for the hearing and requires the body to issue a notice including this information and stating that each person has a right to attend the hearing. The bill establishes that the governing body has jurisdiction to

determine each issue relating to the sufficiency of the petition and the creation of the district and authorizes the body to issue necessary incidental resolutions relating to such issues. The bill authorizes the governing body to adjourn the hearing from day to day. The bill requires the governing body to grant the petition if it finds that the petition conforms to petition requirements and the district is feasible and necessary and would benefit the public. The bill requires the governing body in determining such feasibility, necessity, and benefit to consider the availability of comparable services from other systems and the reasonableness of the proposed public purpose projects and services.

C.S.H.B. 4648 requires a governing body that grants a petition and creates a district to appoint the number of initial district directors requested in the petition and requires a person to be at least 18 years of age to be qualified to serve as a director. The bill requires the initial directors to hold an election within a particular timeframe on the question of whether to authorize the district to exercise municipal zoning authority, to elect successor directors, and sets forth the required language for the ballot. The bill grants a district the powers and duties provided to a municipal management district and, subject to the approval of district voters, municipal zoning powers. The bill prohibits a district from exercising the power of eminent domain. The bill requires the governing body to call an election on the question of dissolving the district if the body receives a petition to dissolve the district that contains the signatures of more than 60 percent of district residents, and establishes that the district is dissolved if 75 percent of district voters voting at the election vote for dissolution in the election. The bill defines the terms "associated low-density multifamily residential housing," "deed-restricted residential subdivision," "district," "predominantly single-family residential subdivision or generally recognized residential area," "residential neighborhood," and "single-family dwelling."

#### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4648 differs from the original by authorizing a municipality with a population of more than 1,900,000 and located in a county with a population of more than two million to create a residential management district if the governing body of the municipality receives a petition requesting creation of the district that describes a proposed area at least 90 percent of which is a residential neighborhood, whereas the original requires a municipality in which the majority of the population is located in a county with a population of more than three million to create a residential management district upon petition by more than 60 percent of the owners of land within the defined boundaries of a residential area, which is required to include more than 50 percent of the assessed value within those boundaries.

C.S.H.B. 4648 adds provisions not in the original for: a petition to initiate the creation process; a hearing to consider the petition and notice for such a hearing; the initial directors of the district; qualifications of such directors; an election to create the district, authorize the district to exercise municipal zoning powers, and elect successor directors; the language of a ballot for the election; the general powers and duties of a district; prohibiting the district from exercising the power of eminent domain; and the future dissolution of the district subject to the approval of district voters. The substitute adds provisions not in the original defining the terms "associated low-density multifamily residential housing," "deed-restricted residential subdivision," "district," "predominantly single-family residential subdivision or generally recognized residential area," "residential neighborhood," and "single-family dwelling."

C.S.H.B. 4648 removes provisions in the original relating to the creation, powers and authority and selection of the board of directors of a district established by the original. The substitute removes provisions in the original defining "residential area," "small multi-family residential property," and "Residential Management District."