

BILL ANALYSIS

C.S.H.B. 4739
By: Fletcher
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The land within the proposed Harris County Improvement District No. 13 is located in the extraterritorial jurisdiction of the City of Houston in Harris County. The district will be a municipal management district similar to those operating pursuant to provisions governing such districts, as well as development and improvement districts.

C.S.H.B. 4739 creates Harris County Improvement District No. 13 as a political subdivision of the State of Texas to administer and provide funding for economic development projects and services.

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. 4739 amends the Special District Local Laws Code to create the Harris County Improvement District No. 13. The bill sets forth general provisions for: the nature of the district, the district's purpose and declaration of intent, and finding of benefit and public purpose, the initial district territory, the eligibility for inclusion in special zones, the applicability of municipal management districts law, and the liberal construction of the bill's provisions. The bill sets forth general provisions for the composition and terms of the board of directors of the district, specifying that the members of the initial board directors are Chris Taylor, Leanne Ross, Ryan Sweeney, Shane Herzog, and Terry Taylor. The bill provides for the appointment of directors, for nonvoting directors, for the requirements for a quorum, and for compensation of voting members.

C.S.H.B. 4739 sets forth the powers and duties of the district including development corporation powers. The bill authorizes the board of directors 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. The bill sets forth general provisions relating to district agreements and grants, the authority to contract for law enforcement services, membership in charitable organizations, economic development programs, strategic partnership agreements, and annexation or exclusion of territory by the district. The bill prohibits the district from exercising the power of eminent domain.

C.S.H.B. 4739 authorizes the district to acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities and authorizes the district to adopt rules governing its parking facilities. The bill authorizes the district to use any of its resources to pay the cost of acquiring and operating a public parking facility.

C.S.H.B. 4739 sets out provisions relating to disbursements and transfers of money, the authorization to use money for improvements or services, and the petition required for financing services and improvements with assessments, method of notice for the hearing, and assessments and liens for assessments. The bill prohibits the district from imposing an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements of electric or gas utilities, a telecommunications provider, or a person who provides the public cable television or advanced telecommunications services, and provides that certain residential property is not exempt from a tax imposed or certain payments required by the district.

C.S.H.B. 4739 sets forth general financial provisions including the authority to impose an operations and maintenance tax and contract taxes. The bill authorizes the district to issue bonds, notes, or other obligations payable wholly or partly from property taxes, sales and use taxes, assessments, impact fees, revenue, contract payments, grants, or other money of the district and requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct annual property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill authorizes the district to issue certain bonds, notes, and other obligations without an election, but requires an election to obtain voter approval before imposing a property tax or sales and use tax or issue bonds payable from property taxes. The bill provides for competitive bidding and authorizes the district to authorize an abatement for a tax or assessment owed to the district.

C.S.H.B. 4739 authorizes the district to define an area of the district or designate certain property to pay for improvements, facilities, or services that primarily benefit that area. The bill requires an election to be held in the defined area or within the boundaries of the designated property only before the district may impose a property tax or issue bonds payable from property taxes of the defined area or designated property, and establishes the procedure for the election, the declaration of results, and the issuance of an order establishing the area. The bill authorizes the district to apply its taxing power and lien authority to the defined area or designated property to provide money for services, improvements, and facilities that primarily benefit the defined area or designated property. The bill authorizes the district to issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property. The bill provides for municipal annexation and for the dissolution of the district.

C.S.H.B. 4739 describes in metes and bounds the initial boundaries of the district. The bill defines the terms "board," "director," and "district."

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. 4739 omits a provision in the original exempting the district's public parking facilities from the payment of property taxes and state and local sales and use taxes. The substitute omits a provision included in the original exempting the district from provisions encouraging the full participation of disadvantaged businesses in all phases of its procurement activities.