

BILL ANALYSIS

C.S.H.B. 4753
By: Legler
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Harris County Improvement District No. 16 is being created to administer and provide funding for economic development projects and services in the district. The district is currently located in the corporate limits of the City of Houston in Harris County. The district will be a municipal management district similar to those operating pursuant to provisions regarding municipal management districts in general and to development and improvement.

C.S.H.B. 4753 creates the Harris County Improvement District No. 16.

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. 4753 amends the Special District Local Laws Code to set forth standard language for the creation of the Harris County Improvement District No. 16. The bill sets forth general provisions for the nature of the district, the purpose and declaration of intent regarding creation of the district and the district's public purpose and benefit, and initial district territory; the number of members, appointment, quorum, compensation, and terms of the board of directors of the district, including initial voting directors; and nonvoting members. The bill establishes that all or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created under the Tax Increment Financing Act; a tax abatement reinvestment zone created under the Property Redevelopment and Tax Abatement Act; or an enterprise zone created under the Texas Enterprise Zone Act.

C.S.H.B. 4753 sets forth the powers and duties of the district. The bill authorizes the district to exercise the powers given to a development corporation under provisions regarding Type B corporations, 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, and sets forth provisions regarding that corporation and its board of directors. The bill sets forth general provisions for district agreements and grants, contracts for law enforcement services, required approvals from the City of Houston's governing body, membership in charitable organizations, and the annexation or exclusion of territory by the district. The bill prohibits the district from exercising the power of eminent domain. The bill authorizes the district to establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to make loans and grants of public money, and to provide district personnel and services.

C.S.H.B. 4753 authorizes the district to acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system and parking facilities to serve the area within its boundaries, and provides conditions for each. The bill authorizes the district to adopt rules

governing its public transit system or parking facilities. The bill authorizes the district to use any of its resources to pay the cost of acquiring and operating a public transit system or parking facility and to set and impose fees, charges, or tolls for their use and issue bonds or notes to finance the costs of these facilities.

C.S.H.B. 4753 sets forth general financial provisions for disbursements and transfers of money, use of money for improvements or services, a petition required before financing services and improvements with assessments, the imposition and collection of an assessment and liens for assessments, and an exemption from impact fees and assessments for certain utilities. The bill authorizes the board to borrow money on terms and conditions as determined by the board. The bill sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, and impose a property tax for operations and maintenance. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill prohibits the city from being required to pay a bond or other obligation of the district and authorizes the district to grant an abatement for a tax or assessment owed the district. The bill exempts the district from provisions requiring competitive bidding on certain public works contracts and establishing the precedence of law relating to competitive bidding requirements for the award of contracts by municipal management districts .

C.S.H.B. 4753 sets forth general provisions for taxes for certain defined areas and designated property. The bill grants the district the authority to establish defined areas or designate property to pay for improvements, facilities, or services that primarily benefit that area, and sets forth the procedure for a related election regarding the imposition of a property tax or the issuance of a bond payable from property taxes and provisions relating to declaring the results of that election and issuing an order. The bill sets forth provisions regarding the district's authority regarding taxes for services, improvements, and facilities in and the issuance of bonds and imposition of taxes for a defined area or designated property.

C.S.H.B. 4753 sets forth in detail the initial boundaries of the district. The bill defines the terms "board," "city," "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. 4753 differs from the original by omitting a provision included in the original exempting the district's public parking facilities and any lease to a private entity from the payment of property taxes and state and local sales and use taxes. The substitute differs from the original by limiting the district's authority to issue bonds, notes, or other obligations payable wholly or partly from certain sources of district money to pay for any authorized district purpose to issuance of those obligations by competitive bid or negotiated sale, and omitting money derived from the district's imposition of a sales and use tax as a source of district money from which those obligations may be paid. The substitute makes related conforming changes.

C.S.H.B. 4753 differs from the original by clarifying that the district is exempt from two specific provisions relating to competitive bidding, whereas the original exempts the district from an entire subchapter relating to competitive bidding and disadvantaged businesses.

C.S.H.B. 4753 makes changes to the metes and bounds describing the territory of the district.

C.S.H.B. 4753 differs from the original in nonsubstantive ways by conforming to certain bill drafting conventions and making clarifying changes and technical corrections.