

## **BILL ANALYSIS**

H.B. 4771  
By: Allen  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

H.B. 4771 amends the powers of Harris County Improvement District No. 5, updating and clarifying provisions governing the district consistent with provisions currently used for similar management districts.

### **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**

H.B. 4771 amends the Special District Local Laws Code relating to Harris County Improvement District No. 5 to add provisions for annexation or exclusion of territory by the district, economic development programs, and district authority to establish and implement tax increment reinvestment zones that include all or any part of the district. The bill establishes that the district may borrow money according to terms and conditions determined by the board, and that provisions in the Local Government Code requiring approval for issuance of bonds from the attorney general do not apply to borrowing from a bank or financial institution secured by district revenue other than property taxes. The bill removes the authorization for the district to issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation. The bill increases from \$25,000 to \$50,000 the threshold contract amount above which provisions relating to competitive bidding on certain public works apply.

H.B. 4771 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 the board to call and hold an election in the defined area or within the boundaries of the designated property 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, declaration of results, and issuance of an order establishing the area. The bill authorizes the district, on voter approval and adoption of an order, to apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate 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 after an order is adopted.

### **EFFECTIVE DATE**

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