

BILL ANALYSIS

C.S.H.B. 4775
By: Bonnen
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Alden Lake Management District will encompass an area within the corporate limits of the City of Lake Jackson, Texas. The land to be located within the district will be developed into commercial development; therefore, the district is needed to promote commercial growth. Specifically, the district will be used to provide needed funding to preserve, maintain, and enhance the community, including traffic improvements, pedestrian facilities, and landscaping. It is necessary to create the district under Chapter 375, Local Government Code, and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, in order to purchase, acquire, construct, or maintain facilities to promote such commercial growth. It is also necessary to empower the district with authority to impose assessments and taxes and to issue bonds.

C.S.H.B. 4775 creates the Alden Lake Management District.

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. 4775 amends the Special District Local Laws Code to create the Alden Lake Management District in Brazoria County. The bill sets forth general provisions for the nature of the district, the purpose of the creation of the district and the declaration of intent, the findings of public purpose and benefit, initial district territory, the applicability of municipal management districts law, and the liberal construction of provisions regarding the district; the composition and terms of the board of directors of the district, the appointment of directors, the nonvoting directors, the quorum requirement, and compensation; the powers and duties of the district, including the authority to exercise powers given to a development corporation, to create a nonprofit corporation, to make an agreement with any person, to accept grants and loans, to contract for law enforcement, to join and pay dues to a charitable organization, to establish an economic development program, and to exclude land. The bill prohibits the district from exercising the power of eminent domain. The bill authorizes the district to annex land as provided by state law only if the City of Lake Jackson by ordinance or resolution consents to the annexation. The bill adds temporary provisions, set to expire September 1, 2014, to designate the district's initial directors and to make the general provision on appointment of directors inapplicable.

C.S.H.B. 4775 sets forth provisions relating to the district's authority 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 covering its public parking system. The bill authorizes the district to use any of its resources to pay the cost of acquiring or operating public parking facilities.

C.S.H.B. 4775 requires the board by resolution to establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. The bill authorizes the district to acquire, construct, finance, operate, or maintain any improvement or service authorized under the bill's provisions or under provisions relating to municipal management districts, using any money available to the district. The bill prohibits the board from financing a service or improvement project with an assessment unless a written petition requesting that service or improvement has been filed with the board, and sets forth procedures for the petition and for notice of a hearing. The bill prohibits the district from imposing an impact fee or assessment on the property of an electric or gas utility, a telecommunications provider, or a person who provides cable television or advanced telecommunications service to the public. The bill provides that the prohibition against the imposition of an impact fee, assessment, tax, or other requirement on single-family detached residential property, duplexes, triplexes, and quadruplexes does not apply to a tax imposed by the district or a requirement for payment for a service provided by the district.

C.S.H.B. 4775 sets forth general financial provisions authorizing the district to impose and collect an assessment for any purpose authorized by the bill's provisions, to impose an operation and maintenance tax, to borrow money, to issue bonds and other obligations, and to impose contract taxes. The bill sets forth provisions for a district election regarding taxes and bonds. 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 establishes that the City of Lake Jackson is not required to pay a bond, note, or other obligation of the district, and sets forth which provisions of state law apply to competitive bidding by the district. The bill authorizes the district to grant in the manner authorized by state law an abatement for a tax or assessment owed to the district.

C.S.H.B. 4775 authorizes the district to define areas or to designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole. The bill sets forth procedures for an election and declaring the results and issuing an order in the defined area or designated property regarding bonds payable from property taxes of the area or property. The bill sets forth provisions regarding the district's authority relating to taxes for services, improvements, and facilities in defined areas or designated property and provisions regarding the issuance of bonds and the imposition of taxes for the area or property.

C.S.H.B. 4775 sets forth in detail the initial boundaries of the district. The bill defines "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. 4775 differs from the original by authorizing the district to annex land only if the city consents to the annexation, whereas the original does not limit the district's authority to annex land. The substitute omits a provision included in the original exempting the district's public parking facilities and any lease to a private entity from payment of property and state and local sales and use taxes. The substitute differs from the original by omitting a provision of the Local Government Code that exempts the district from provisions encouraging the full participation of disadvantaged businesses in all phases of its procurement activities.