

## **BILL ANALYSIS**

C.S.H.B. 4828  
By: Coleman  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

C.S.H.B. 4828 creates the Harris County Improvement District No. 21. The bill provides the district with general powers, grants specific authority to impose an assessment, a tax, or an impact fee, and to issue bonds.

### **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. 4828 amends the Special District Local Laws Code to create the Harris County Improvement District No. 21. The bill sets forth general provisions for the district's purpose and intent, findings of public purpose and benefit, district territory, the tort liability of the district, 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 on an increase in board size, nonvoting members, the quorum requirement, conflicts of interest, compensation of voting directors, and the initial voting directors; and the powers and duties of the district, including the authorization to create a nonprofit corporation to assist and act for the district, to make an agreement with or accept a gift, grant, or loan from any person, to hold an election, to contract for law enforcement, to annex and exclude land, and to join and pay dues to a charitable organization. The bill adds temporary provisions, set to expire September 1, 2013, to designate as the district's initial directors Brian Smith, Janice Sibley-Reid, Zinetta Burney, R. Quinn Meads, and Walter Johnson.

C.S.H.B. 4828 requires the district to obtain the approval of the City of Houston's governing body for the issuance of a bond for each improvement project, the plans and specifications of the improvement project financed by the bond, and the plans and specifications of any district improvement project related to land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway. The bill authorizes the district to finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston if the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed five years. The bill authorizes the district to exercise powers given to a road district and a road utility district. The bill authorizes the district to acquire air rights and to construct improvements on property on which it owns only air rights. The bill authorizes the district to construct improvements on property on which it only has a leasehold interest and to own undivided interests in buildings and other improvements. The bill prohibits the district from exercising the power of eminent domain.

C.S.H.B. 4828 sets forth provisions relating to the district's authority to acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system or parking facilities to serve the area within the boundaries of the district. The bill authorizes the district to use any of its resources to pay the cost of acquiring and operating a public transit system of

public parking facilities. The bill sets forth the amount a district is required to pay in lieu of property taxes if the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in the removal from a taxing unit's tax rolls of real property otherwise subject to property taxation. The bill authorizes the district and a rapid transit authority to agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire. The bill authorizes the district to adopt rules governing its public transportation or its public parking facilities.

C.S.H.B. 4828 sets forth financial provisions authorizing the district to impose an assessment, a property tax, an impact fee, and a maintenance tax, and to issue bonds and other obligations. The bill requires the board to establish by resolution the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money. The bill provides that for purposes of a title insurance policy issued under provisions of the Insurance Code, an assessment is a tax, and sets out provisions relating to assessments and liens for assessments. The bill prohibits the board from imposing an assessment or finance a service or improvement project unless a written petition requesting the improvement or service has been filed with the board and sets forth requirements for the petition. The bill prohibits the district from imposing an impact fee or assessment on the property of an electric utility or a power generation company, a gas utility, a telecommunications provider, or a person who provides the public cable television or advanced telecommunications services. The bill sets forth provisions for district use of electrical or optical lines. The bill establishes the limit on parks and recreation bonds. The bill sets forth provisions for a district election relating to taxes and bonds. The bill establishes that the district has the powers of a municipal utility district. The bill provides that a municipality is not required to pay a bond, note, or other obligation of the district, unless the municipality adopts an ordinance dissolving the district. The bill sets forth the applicable state law relating to the district's competitive bidding.

C.S.H.B. 4828 authorizes the district to consolidate with one or more other municipal management districts that are adjoining or have a boundary that is within a two-mile radius of any boundary of the district, only if none of the districts to be consolidated has issued bonds or notes secured by assessments or property taxes or has imposed taxes and sets forth the terms and conditions for the consolidation, notice and hearing requirements, the governing of consolidated districts, the debts of the original districts, the assessment and collection of taxes, and the filing of consolidation order with the county clerk and the executive director of the Texas Commission on Environmental Quality. The bill sets forth provisions for the dissolution of the district.

C.S.H.B. 4828 sets forth the metes and bounds description of the initial boundaries of the district. The bill defines the terms "authority," "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. 4828 differs from the original by creating the Harris County Improvement District No. 21, whereas the original creates the Harris County Improvement District No. 12. The substitute differs from the original by designating specified persons as the district's initial directors. The substitute removes a provision in the original exempting the district's public parking facilities and a 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 specifying that the election at which the board is prohibited from including more than one purpose in a single proposition is an election to impose a maintenance tax or issue bonds payable from property taxes.

C.S.H.B. 4828 differs from the original in nonsubstantive ways by using language reflective of

certain drafting conventions.