

BILL ANALYSIS

C.S.H.B. 3836
By: Pitts
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.B. 3836 seeks to create the Windsor Hills Municipal Management District No. 1 that would contain approximately 900 acres within the city of Midlothian in order to provide improvement projects and services that confer a special benefit on such property and to pay for the projects and services through special assessments.

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. 3836 amends the Special District Local Laws Code to create the Windsor Hills Municipal Management District No. 1, establish the nature and purpose of the district, and make findings of benefit and public purpose. The bill prohibits the district from exercising any powers under the bill's provisions until a certain development agreement between the City of Midlothian, Texas, and One Windsor Hills, L.P., is executed and sets such provisions to expire September 1, 2012, if the development agreement and a certain finance plan between the city and the district are not executed by that date. The bill establishes the district territory and provides for the effect of certain mistakes in the description of the boundaries. The bill makes all or part of the district eligible for inclusion in a tax increment reinvestment zone or a tax abatement reinvestment zone and establishes that a tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by statutory provisions relating to restrictions on the composition of a reinvestment zone.

C.S.H.B. 3836 provides for the district's governance by a board of five voting directors and sets out the length of terms, qualifications, and appointment of directors. The bill establishes that the city manager of the city and the chief financial officer of the city serve ex officio as nonvoting directors entitled to speak on a matter before the board. The bill sets out provisions relating to the filling of vacancies, a director's oath or affirmation, officers, director compensation and reimbursement of expenses, liability insurance coverage, and location of board meetings. The bill adds a temporary provision, set to expire September 1, 2016, to provide for the appointment and terms of the initial directors.

C.S.H.B. 3836 sets out provisions relating to district powers and duties, including provisions granting the district the powers of a conservation and reclamation district, road district, road utility district, public improvement district, and a municipal management district. The bill authorizes the district to contract with a governmental or private entity, on terms determined by the board, to carry out an authorized power or duty or to accomplish a purpose for which the district is created. The bill 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 sets forth provisions relating to such parking facilities. The bill prohibits the district from exercising the power of eminent domain and from constructing, acquiring, maintaining, or operating a toll

road.

C.S.H.B. 3836 authorizes the district to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district or to contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under the bill's provisions or provisions relating to municipal management districts in general. The bill prohibits the district from undertaking an improvement project or service unless the board determines the project or service is necessary to accomplish a public purpose of the district and complies with the development agreement or the parties to the development agreement agree to the project or service, in writing. The bill authorizes the district to undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with certain specified provisions of law. The bill establishes that a contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under certain statutory provisions relating to the adjudication of claims arising under written contracts with local governmental entities.

C.S.H.B. 3836 authorizes the district to borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, district revenue, or a combination of these sources. The bill, before the district issues, enters into, or pays an obligation, requires the obligation to be authorized by the finance plan and requires the city to provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to issue or enter into the obligation. The bill authorizes the district to exercise any power of an issuer under provisions of law relating to obligations for certain public improvements. The bill authorizes the district to impose an assessment on property in the district to pay for an obligation in certain specified manners.

C.S.H.B. 3836 authorizes the district to designate reinvestment zones and to grant abatements of a tax or assessment on property in the zones. The bill 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 makes a certain municipal management district exemption for single-family detached residential property, duplexes, triplexes, and quadraplexes inapplicable to the district. The bill prohibits the district from imposing a property tax.

C.S.H.B. 3836 provides for the dissolution of the district by city ordinance and for the collection of assessments and other revenue by the city.

C.S.H.B. 3836 sets out in detail the initial boundaries of the district. The bill defines "board," "city," "development agreement," "director," "district," and "finance plan."

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3836 omits a provision included in the original establishing that an obligation issued by the Windsor Hills Municipal Management District No. 1 is not subject to the jurisdiction or supervision of the Texas Commission on Environmental Quality.