

## **BILL ANALYSIS**

C.S.S.B. 234  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties observe that the City of Rowlett does not currently have any municipal management districts. Municipal management districts facilitate economic development and reduce financial risk and cost to the city. The creation of such a district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district. C.S.S.B. 234 seeks to create the Rowlett Downtown Management District, which would have the authority to impose a tax, levy an assessment, and issue bonds, but would be prohibited from exercising the power of eminent domain.

### **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.S.B. 234 amends the Special District Local Laws Code to create the Rowlett Downtown Management District, establish the nature and purpose of the district, and make findings of benefit and public purpose. The bill makes all or any part of the district eligible for inclusion in a tax increment reinvestment zone, a tax abatement reinvestment zone, or an enterprise zone created by the City of Rowlett. The bill makes certain statutory provisions relating to municipal management districts applicable to the district and provides for the liberal construction of the bill.

C.S.S.B. 234 provides for the district's governance by a board of five voting directors and three nonvoting ex officio directors and sets out the manner of appointment, length of terms, and eligibility criteria for the appointed directors. The bill includes provisions relating to director privileges, conflicts of interest, a director's oath or affirmation, officers, compensation of directors, reimbursement of expenses, and presence of a quorum. The bill adds a temporary provision, set to expire September 1, 2015, to provide for the appointment and terms of the initial directors.

C.S.S.B. 234 grants the district the powers and duties of a conservation and reclamation district, road district, road utility district, and municipal management district. The bill authorizes the district, using money available to the district, to exercise the powers given to a Type B development corporation, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under applicable provisions of law. The bill authorizes, with certain restrictions, the district to enter into contracts. The bill authorizes the district to engage in activities that accomplish the economic development purposes of the district and 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 provide district personnel and services.

C.S.S.B. 234 authorizes the district to create economic development programs, provide economic development grants, and exercise the economic development powers that state law governing obligations for other municipal purposes grants to municipalities. The bill authorizes the district, subject to certain restrictions, to adopt rules to administer or operate the district; provide for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or provide for public safety and security in the district, among other administrative powers. The bill authorizes the district's board of directors to add or remove territory in the district if the action is approved by the governing body of the City of Rowlett and by the owners of the property being added or removed. The bill prohibits the district from exercising the power of eminent domain and from constructing, acquiring, maintaining, or operating a toll road.

C.S.S.B. 234 authorizes the district to impose a property tax and an assessment on property in the district; provide or secure the payment or repayment of certain district costs and expenses; establish certain user charges; undertake the cost of an improvement project; and enter into tax abatement agreements. The bill authorizes the district to impose an impact fee or assessment on residential or commercial property and limits an impact fee on residential property to certain purposes, including public water and wastewater facilities. The bill makes the exemption from an impact fee, tax, or assessment for certain residential property under the municipal management district law inapplicable to the district. The bill authorizes the district to impose a maintenance and operations tax if the maximum tax rate is approved by the governing body of the City of Rowlett and by a majority of the district voters at an election held for that purpose.

C.S.S.B. 234 authorizes the district to issue bonds or other obligations payable wholly or partly from the property taxes or assessments or from any other district revenue. The bill requires bonds or other obligations that are secured by and payable from property taxes and the imposition of the tax for that purpose to be approved by a majority of the district voters at an election held for that purpose and by the governing body of the City of Rowlett. The bill prohibits the district from issuing bonds until the governing body of the City of Rowlett approves a bond issuance plan authorizing and setting limits on the bond issuance. The bill requires the district to negotiate a project development agreement with the City of Rowlett before issuing bonds, imposing taxes, or borrowing money.

C.S.S.B. 234 provides for the dissolution of the district and the disposition of the district's assets and liabilities on dissolution. The bill describes the territory that composes the district and makes provisions for certain mistakes in the description. The bill defines "board," "city," "director," "district," and "improvement project."

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.S.B. 234 omits a provision included in the original including the planning, design, construction, improvement, maintenance, and operation of alternative power generation facilities, including solar, geothermal, and wind, among the authorized improvement projects of the Rowlett Downtown Management District.