

## **BILL ANALYSIS**

Senate Research Center  
82R17335 NAJ-F

C.S.S.B. 900  
By: Gallegos  
Intergovernmental Relations  
3/23/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

East Aldine Management District (district), formerly known as Aldine Improvement District, was created by the Texas Legislature in 2001. The district serves a large unincorporated area just north of the City of Houston. The district finances improvements and services through the levy of a sales and use tax.

The Act creating the district is codified as Chapter 3817 (Aldine Improvement District), Special District Local Laws Code. To the extent not otherwise in conflict with the Chapter 3817, the district operates under Chapter 375 (Municipal Management Districts in General), Local Government Code.

The district is already authorized to levy a sales and use tax within the district. The legislation would authorize the district to levy additional sales tax in certain areas of the district, subject to voter approval and not to exceed the statutory total maximum sales and use tax.

The legislation also adds land to the district, which was not previously included in the Act creating the district.

C.S.S.B. 900 amends current law relating to the Aldine Improvement District and provides authority to impose a tax.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Chapter 3817, Special District Local Laws Code, to read as follows:

#### CHAPTER 3817. EAST ALDINE MANAGEMENT DISTRICT

SECTION 2. Amends Section 3817.001(2), Special District Local Laws Code, to provide that "district" means the East Aldine Management District (district).

SECTION 3. Amends Section 3817.002, Special District Local Laws Code, as follows:

Sec. 3817.002. New heading: EAST ALDINE MANAGEMENT DISTRICT. Provides that the district, rather than the Aldine Improvement District, is a special district created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

SECTION 4. Amends Section 3817.005(b), Special District Local Laws Code, as follows:

(b) Provides that the boundaries and field notes of the district, rather than the boundaries and field notes of the district contained in Section 1, Chapter 1433, Acts of the 77th

Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure.

SECTION 5. Amends Section 3817.154, Special District Local Laws Code, by amending Subsection (a) and adding Subsections (e) and (f), as follows:

(a) Authorizes the district to impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Authorizes revenue from the tax to be used for any purpose for which revenue of the district, rather than ad valorem tax revenue of the district, is authorized to be used.

(e) Authorizes the board to establish one or more areas in the district as a special sales and use tax zone if the board finds that a reasonable distinction exists that justifies a special sales and use tax rate in the area. Authorizes the special sales and use tax rate to be different than the sales and use tax rate imposed in the rest of the district if the special sales and use tax rate is approved by a majority of the voters of the special sales and use tax zone at an election held for that purpose. Provides that Subsections (b) (relating to prohibiting the district from adopting a sales and use tax if as a result of its adoption the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district), (c) (relating to providing that the election to adopt a sales and use tax under this chapter has no effect if the approved rate increase results in the combined rate exceeding two percent), and (d) (relating to providing that Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter) apply to a special sales and use tax imposed under this subsection in the same manner as the sales and use tax imposed under Subsection (a).

(f) Exempts from a special sales and use tax imposed by the district under Subsection (e) the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption within a special sales and use tax zone of, a taxable item sold, leased, or rented by:

(1) a retail electric provider as defined by Section 31.002 (Definitions), Utilities Code;

(2) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(3) a gas utility as defined by Section 101.003 (Definitions) or 121.001 (Definition of Gas Utility), Utilities Code, or a person who owns pipelines used for transportation or sale of oil or gas or a product or constituent of oil or gas;

(4) a person who owns pipelines used for the transportation or sale of carbon dioxide;

(5) a telecommunications provider as defined by Section 51.002 (Definitions), Utilities Code; or

(6) a cable service provider or video service provider as defined by Section 66.002 (Definitions), Utilities Code.

SECTION 6. Sets forth the boundaries of territory being added to the territory of the district, formerly known as the Aldine Improvement District.

SECTION 7. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the Aldine Improvement District, now known as the district, that were taken before the effective date of this Act. Prohibits an act or proceeding from being held invalid

because the act or proceeding was not in accordance with Chapter 3817, Special District Local Laws Code, or other law.

(b) Provides that this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 8. Provides that a reference in law to the Aldine Improvement District means the district.

SECTION 9. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 10. Effective date: upon passage or September 1, 2011.