

By: Dutton

H.B. No. 3857

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Near Northside Management District;  
providing authority to impose a tax, levy an assessment, and issue  
bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws  
Code, is amended by adding Chapter 3905 to read as follows:

CHAPTER 3905. NEAR NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3905.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston, Texas.

(3) "County" means Harris County, Texas.

(4) "Director" means a board member.

(5) "District" means the Near Northside Management  
District.

Sec. 3905.002. CREATION AND NATURE OF DISTRICT. The  
district is a special district created under Section 59, Article  
XVI, Texas Constitution.

Sec. 3905.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
creation of the district is essential to accomplish the purposes of  
Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
Texas Constitution, and other public purposes stated in this  
chapter. By creating the district and in authorizing the city,

1 county, and other political subdivisions to contract with the  
2 district, the legislature has established a program to accomplish  
3 the public purposes set out in Section 52-a, Article III, Texas  
4 Constitution.

5 (b) The creation of the district is necessary to promote,  
6 develop, encourage, and maintain employment, commerce,  
7 transportation, housing, tourism, recreation, the arts,  
8 entertainment, economic development, safety, and the public  
9 welfare in the district.

10 (c) This chapter and the creation of the district may not be  
11 interpreted to relieve the city or county from providing the level  
12 of services provided as of the effective date of the Act enacting  
13 this chapter to the area in the district. The district is created  
14 to supplement and not to supplant city and county services provided  
15 in the district.

16 Sec. 3905.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
17 The district is created to serve a public use and benefit.

18 (b) All land and other property included in the district  
19 will benefit from the improvements and services to be provided by  
20 the district under powers conferred by Sections 52 and 52-a,  
21 Article III, and Section 59, Article XVI, Texas Constitution, and  
22 other powers granted under this chapter.

23 (c) The creation of the district is in the public interest  
24 and is essential to further the public purposes of:

25 (1) developing and diversifying the economy of the  
26 state;

27 (2) eliminating unemployment and underemployment; and

1           (3) developing or expanding transportation and  
2 commerce.

3           (d) The district will:

4           (1) promote the health, safety, and general welfare of  
5 residents, employers, employees, visitors, and consumers in the  
6 district, and of the public;

7           (2) provide needed funding for the district to  
8 preserve, maintain, and enhance the economic health and vitality of  
9 the district territory as a community and business center; and

10           (3) promote the health, safety, welfare, and enjoyment  
11 of the public by providing pedestrian ways and by landscaping and  
12 developing certain areas in the district, which are necessary for  
13 the restoration, preservation, and enhancement of scenic beauty.

14           (e) Pedestrian ways along or across a street, whether at  
15 grade or above or below the surface, and street lighting, street  
16 landscaping, and street art objects are parts of and necessary  
17 components of a street and are considered to be a street or road  
18 improvement.

19           (f) The district will not act as the agent or  
20 instrumentality of any private interest even though the district  
21 will benefit many private interests as well as the public.

22           Sec. 3905.005. DISTRICT TERRITORY. (a) The district is  
23 composed of the territory described by Section 2 of the Act enacting  
24 this chapter, as that territory may have been modified under  
25 Section 3905.107 or other law.

26           (b) The boundaries and field notes of the district contained  
27 in Section 2 of the Act enacting this chapter form a closure. A

1 mistake in the field notes of the district contained in Section 2 of  
2 the Act enacting this chapter or in copying the field notes in the  
3 legislative process does not in any way affect the district's:

- 4 (1) organization, existence, or validity;  
5 (2) right to issue any type of bond or other obligation  
6 for a purpose for which the district is created or to pay the  
7 principal of and interest on a bond;  
8 (3) right to impose or collect an assessment; or  
9 (4) legality or operation.

10 Sec. 3905.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

11 (a) All or any part of the area of the district is eligible to be  
12 included in:

- 13 (1) a tax increment reinvestment zone created by the  
14 city under Chapter 311, Tax Code;  
15 (2) a tax abatement reinvestment zone created by the  
16 city under Chapter 312, Tax Code; or  
17 (3) an enterprise zone created by the city under  
18 Chapter 2303, Government Code.

19 (b) A tax increment reinvestment zone created by the city in  
20 the district is not subject to the limitations provided by Section  
21 311.006(a), Tax Code.

22 Sec. 3905.007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
23 DISTRICTS LAW. Except as otherwise provided by this chapter,  
24 Chapter 375, Local Government Code, applies to the district.

25 Sec. 3905.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
26 chapter shall be liberally construed in conformity with the  
27 findings and purposes stated in this chapter.

1 [Sections 3905.009-3905.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 3905.051. GOVERNING BODY; TERMS. The district is  
4 governed by a board of nine directors who serve staggered terms of  
5 three years, with three directors' terms expiring June 1 of each  
6 year.

7 Sec. 3905.052. APPOINTMENT OF DIRECTORS. (a) The mayor and  
8 members of the governing body of the city shall appoint directors  
9 from persons recommended by the board. A person is appointed if a  
10 majority of the members and the mayor vote to appoint that person.

11 (b) A person may not be appointed to the board if the  
12 appointment of that person would result in fewer than two-thirds of  
13 the directors being residents of the city.

14 Sec. 3905.053. EX OFFICIO DIRECTORS. (a) The following  
15 persons serve as nonvoting ex officio directors:

16 (1) the directors of the parks and recreation,  
17 planning and development, public works, and civic center  
18 departments of the city;

19 (2) the chief of police of the city;

20 (3) the county's general manager of the Metropolitan  
21 Transit Authority of Harris County, Texas; and

22 (4) the president of each institution of higher  
23 learning located in the district.

24 (b) If a department described by Subsection (a) is  
25 consolidated, renamed, or changed, the board may appoint a director  
26 of the consolidated, renamed, or changed department as a nonvoting  
27 ex officio director. If a department described by Subsection (a) is

1 abolished, the board may appoint a representative of another  
2 department of the city that performs duties comparable to those  
3 performed by the abolished department.

4 (c) The board may appoint the presiding officer of a  
5 nonprofit corporation that is actively involved in activities in  
6 the district to serve as a nonvoting ex officio director.

7 Sec. 3905.054. CONFLICTS OF INTEREST. (a) Except as  
8 provided by this section:

9 (1) a director may participate in all board votes and  
10 decisions; and

11 (2) Chapter 171, Local Government Code, governs  
12 conflicts of interest of board members.

13 (b) Section 171.004, Local Government Code, does not apply  
14 to the district. A director who has a substantial interest in a  
15 business or charitable entity that will receive a pecuniary benefit  
16 from a board action shall file an affidavit with the board secretary  
17 declaring the interest. Another affidavit is not required if the  
18 director's interest changes.

19 (c) After the affidavit is filed, the director may  
20 participate in a discussion or vote on that action if:

21 (1) a majority of the directors have a similar  
22 interest in the same entity; or

23 (2) all other similar business or charitable entities  
24 in the district will receive a similar pecuniary benefit.

25 (d) A director who is also an officer or employee of a public  
26 entity may not participate in a discussion of or vote on a matter  
27 regarding a contract with that same public entity.

1 (e) For purposes of this section, a director has a  
2 substantial interest in a charitable entity in the same manner that  
3 a person would have a substantial interest in a business entity  
4 under Section 171.002, Local Government Code.

5 Sec. 3905.055. COMPENSATION. The district shall compensate  
6 a director as provided by Section 49.060, Water Code.

7 Sec. 3905.056. INITIAL DIRECTORS. (a) The initial board  
8 consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
9		
10	<u>1</u>	<u>Ethel Kaye Lee</u>
11	<u>2</u>	<u>Rose Russell</u>
12	<u>3</u>	<u>Michael Ashley</u>
13	<u>4</u>	<u>Dr. Albert Lemon</u>
14	<u>5</u>	<u>Earl White</u>
15	<u>6</u>	<u>Ann Tillis</u>
16	<u>7</u>	<u>John Fields</u>
17	<u>8</u>	<u>Harvey Clemons</u>
18	<u>9</u>	<u>Renee Llorens</u>

19 (b) Of the initial directors, the terms of directors serving  
20 in positions 1, 2, and 3 expire June 1, 2013, the terms of directors  
21 serving in positions 4, 5, and 6 expire June 1, 2014, and the terms  
22 of directors serving in positions 7, 8, and 9 expire June 1, 2015.

23 (c) Section 3905.052 does not apply to the initial  
24 directors.

25 (d) This section expires September 1, 2015.

26 [Sections 3905.057-3905.100 reserved for expansion]

27 SUBCHAPTER C. POWERS AND DUTIES

1       Sec. 3905.101. HOUSING FINANCE CORPORATION POWERS. (a)

2 The district has the powers of a housing finance corporation  
3 created under Chapter 394, Local Government Code.

4       (b) The district may exercise the powers to provide housing  
5 or residential development projects in the district.

6       Sec. 3905.102. DEVELOPMENT CORPORATION POWERS. The  
7 district, using money available to the district, may exercise the  
8 powers given to a development corporation under Chapter 505, Local  
9 Government Code, including the power to own, operate, acquire,  
10 construct, lease, improve, or maintain a project under that  
11 chapter.

12       Sec. 3905.103. NONPROFIT CORPORATION. (a) The board by  
13 resolution may authorize the creation of a nonprofit corporation to  
14 assist and act for the district in implementing a project or  
15 providing a service authorized by this chapter.

16       (b) The nonprofit corporation:

17           (1) has each power of and is considered to be a local  
18 government corporation created under Subchapter D, Chapter 431,  
19 Transportation Code; and

20           (2) may implement any project and provide any service  
21 authorized by this chapter.

22       (c) The board shall appoint the board of directors of the  
23 nonprofit corporation. The board of directors of the nonprofit  
24 corporation shall serve in the same manner as the board of directors  
25 of a local government corporation created under Subchapter D,  
26 Chapter 431, Transportation Code, except that a board member is not  
27 required to reside in the district.



1       Sec. 3905.104. AGREEMENTS; GRANTS. (a) As provided by  
2 Chapter 375, Local Government Code, the district may make an  
3 agreement with or accept a gift, grant, or loan from any person.

4       (b) The implementation of a project is a governmental  
5 function or service for the purposes of Chapter 791, Government  
6 Code.

7       Sec. 3905.105. LAW ENFORCEMENT SERVICES. To protect the  
8 public interest, the district may contract with the county or the  
9 city to provide law enforcement services in the district for a fee.

10       Sec. 3905.106. COMPETITIVE BIDDING. Section 375.221, Local  
11 Government Code, does not apply to a district contract for \$25,000  
12 or less.

13       Sec. 3905.107. ANNEXATION. In addition to the authority to  
14 annex territory under Subchapter C, Chapter 375, Local Government  
15 Code, the district has the authority to annex territory located in a  
16 reinvestment zone created by the city under Chapter 311, Tax Code,  
17 if the city's governing body consents to the annexation.

18       Sec. 3905.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The  
19 district may establish and provide for the administration of one or  
20 more programs to promote economic development and to stimulate  
21 business and commercial activity in the district, including  
22 programs to secure loans and receive grants of public money.

23       (b) The district may:

24               (1) contract with the federal government, the state, a  
25 political subdivision of the state, a nonprofit organization, or  
26 any other person for the administration of the program; and

27               (2) accept contributions, gifts, or other resources to

1 develop and administer the program.

2 Sec. 3905.109. STRATEGIC PARTNERSHIP AGREEMENT. The  
3 district may negotiate and enter into a written strategic  
4 partnership agreement with the city, county, or Houston Independent  
5 School District.

6 Sec. 3905.110. REAL PROPERTY. (a) The district may buy,  
7 sell, own, or lease real property.

8 (b) The district may receive real property as a gift from  
9 any person.

10 Sec. 3905.111. RECEIPT OF SURPLUS PROPERTY. The district  
11 may receive surplus property from a school district that is located  
12 in the district.

13 Sec. 3905.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The  
14 district may own, lease, operate or manage a project to improve  
15 educational opportunities in the district.

16 Sec. 3905.113. NO EMINENT DOMAIN POWER. The district may  
17 not exercise the power of eminent domain.

18 [Sections 3905.114-3905.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

20 Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND  
21 IMPROVEMENTS. (a) The board may not finance a service or an  
22 improvement project under this chapter unless a written petition  
23 requesting that service or improvement is filed with the board.

24 (b) The petition must be signed by:

25 (1) the owners of a majority of the assessed value of  
26 real property in the district according to the most recent  
27 certified tax appraisal roll for the county; or

1           (2) at least 25 owners of land in the district, if more  
2 than 25 persons own property in the district according to the most  
3 recent certified tax appraisal roll for the county.

4           Sec. 3905.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
5 board by resolution shall establish the number of directors'  
6 signatures and the procedure required for a disbursement or  
7 transfer of the district's money.

8           Sec. 3905.153. AUTHORITY TO IMPOSE AD VALOREM TAXES,  
9 ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem  
10 tax, assessment, or impact fee as provided by Chapter 375, Local  
11 Government Code, on all property in the district, including  
12 industrial or commercial property, to finance:

13           (1) an improvement this chapter authorizes the  
14 district to construct or acquire; or

15           (2) a service this chapter authorizes the district to  
16 provide.

17           Sec. 3905.154. MAINTENANCE TAX. (a) If authorized at an  
18 election held in accordance with Section 3905.158, the district may  
19 impose an annual ad valorem tax on taxable property in the district  
20 to:

21           (1) maintain and operate the district and the  
22 improvements constructed or acquired by the district; or

23           (2) provide a service.

24           (b) The board shall determine the tax rate.

25           Sec. 3905.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
26 The board by resolution may impose and collect an assessment for any  
27 purpose authorized by this chapter.

1       (b) An assessment, including an assessment resulting from  
2 an addition to or correction of the assessment roll by the district,  
3 penalties and interest on an assessment or reassessment, an expense  
4 of collection, and reasonable attorney's fees incurred by the  
5 district:

6           (1) are a first and prior lien against the property  
7 assessed;

8           (2) are superior to any other lien or claim other than  
9 a lien or claim for county, school district, or municipal ad valorem  
10 taxes; and

11           (3) are the personal liability of and a charge against  
12 the owners of the property even if the owners are not named in the  
13 assessment proceeding.

14       (c) The lien is effective from the date of the board's  
15 resolution imposing the assessment until the date the assessment is  
16 paid. The board may enforce the lien in the same manner that the  
17 board may enforce an ad valorem tax lien against real property.

18       Sec. 3905.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND  
19 ASSESSMENTS. The district may not impose an impact fee or  
20 assessment on the property of a person that provides to the public  
21 gas, electricity, telephone, sewage, or water service.

22       Sec. 3905.157. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.  
23 Section 375.161, Local Government Code, does not apply to the  
24 district.

25       Sec. 3905.158. ELECTIONS REGARDING TAXES OR BONDS. (a) In  
26 addition to the elections required under Subchapter L, Chapter 375,  
27 Local Government Code, the district must hold an election in the

1 manner provided by that subchapter to obtain voter approval before  
2 the district may:

3 (1) impose a maintenance tax; or

4 (2) issue a bond payable from ad valorem taxes or  
5 assessments.

6 (b) The board may include more than one purpose in a single  
7 proposition at an election.

8 Sec. 3905.159. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT  
9 OBLIGATIONS. Except as provided by Section 375.263, Local  
10 Government Code, a municipality is not required to pay a bond, note,  
11 or other obligation of the district.

12 [Sections 3905.160-3905.200 reserved for expansion]

13 SUBCHAPTER E. DISSOLUTION

14 Sec. 3905.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH  
15 OUTSTANDING DEBT. (a) The board may vote to dissolve a district  
16 that has debt. If the vote is in favor of dissolution, the district  
17 shall remain in existence solely for the limited purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20 (b) Section 375.264, Local Government Code, does not apply  
21 to the district.

22 SECTION 2. BOUNDARIES. The Near Northside Management  
23 District initially includes all the territory contained in the  
24 following area:

25 In Harris County, Texas, the territory enclosed by Loop 610 as the  
26 north boundary, Lockwood Dr. as the east boundary, Interstate 10 as  
27 the south boundary, and Jensen Dr. as the west boundary.

1           SECTION 3. (a)    The legal notice of the intention to  
2 introduce this Act, setting forth the general substance of this  
3 Act, has been published as provided by law, and the notice and a  
4 copy of this Act have been furnished to all persons, agencies,  
5 officials, or entities to which they are required to be furnished  
6 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
7 Government Code.

8           (b) The governor, one of the required recipients, has  
9 submitted the notice and Act to the Texas Commission on  
10 Environmental Quality.

11          (c) The Texas Commission on Environmental Quality has filed  
12 its recommendations relating to this Act with the governor,  
13 lieutenant governor, and speaker of the house of representatives  
14 within the required time.

15          (d) The general law relating to consent by political  
16 subdivisions to the creation of districts with conservation,  
17 reclamation, and road powers and the inclusion of land in those  
18 districts has been complied with.

19          (e) All requirements of the constitution and laws of this  
20 state and the rules and procedures of the legislature with respect  
21 to the notice, introduction, and passage of this Act have been  
22 fulfilled and accomplished.

23          SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2011.