

1-1 By: Dutton (Senate Sponsor - Gallegos) H.B. No. 3857
1-2 (In the Senate - Received from the House May 4, 2011;
1-3 May 5, 2011, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 19, 2011, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 19, 2011, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the creation of the Near Northside Management District.
1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-11 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-12 Code, is amended by adding Chapter 3905 to read as follows:
1-13 CHAPTER 3905. NEAR NORTHSIDE MANAGEMENT DISTRICT
1-14 SUBCHAPTER A. GENERAL PROVISIONS
1-15 Sec. 3905.001. DEFINITIONS. In this chapter:
1-16 (1) "Board" means the district's board of directors.
1-17 (2) "City" means the City of Houston, Texas.
1-18 (3) "County" means Harris County, Texas.
1-19 (4) "Director" means a board member.
1-20 (5) "District" means the Near Northside Management
1-21 District.
1-22 Sec. 3905.002. CREATION AND NATURE OF DISTRICT. The
1-23 district is a special district created under Section 59, Article
1-24 XVI, Texas Constitution.
1-25 Sec. 3905.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
1-26 creation of the district is essential to accomplish the purposes of
1-27 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-28 Texas Constitution, and other public purposes stated in this
1-29 chapter. By creating the district and in authorizing the city,
1-30 county, and other political subdivisions to contract with the
1-31 district, the legislature has established a program to accomplish
1-32 the public purposes set out in Section 52-a, Article III, Texas
1-33 Constitution.
1-34 (b) The creation of the district is necessary to promote,
1-35 develop, encourage, and maintain employment, commerce,
1-36 transportation, housing, tourism, recreation, the arts,
1-37 entertainment, economic development, safety, and the public
1-38 welfare in the district.
1-39 (c) This chapter and the creation of the district may not be
1-40 interpreted to relieve the city or county from providing the level
1-41 of services provided as of the effective date of the Act enacting
1-42 this chapter to the area in the district. The district is created
1-43 to supplement and not to supplant city and county services provided
1-44 in the district.
1-45 Sec. 3905.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-46 The district is created to serve a public use and benefit.
1-47 (b) All land and other property included in the district
1-48 will benefit from the improvements and services to be provided by
1-49 the district under powers conferred by Sections 52 and 52-a,
1-50 Article III, and Section 59, Article XVI, Texas Constitution, and
1-51 other powers granted under this chapter.
1-52 (c) The creation of the district is in the public interest
1-53 and is essential to further the public purposes of:
1-54 (1) developing and diversifying the economy of the
1-55 state;
1-56 (2) eliminating unemployment and underemployment; and
1-57 (3) developing or expanding transportation and
1-58 commerce.
1-59 (d) The district will:
1-60 (1) promote the health, safety, and general welfare of
1-61 residents, employers, employees, visitors, and consumers in the
1-62 district, and of the public;
1-63 (2) provide needed funding for the district to
1-64 preserve, maintain, and enhance the economic health and vitality of

2-1 the district territory as a community and business center; and
 2-2 (3) promote the health, safety, welfare, and enjoyment
 2-3 of the public by providing pedestrian ways and by landscaping and
 2-4 developing certain areas in the district, which are necessary for
 2-5 the restoration, preservation, and enhancement of scenic beauty.

2-6 (e) Pedestrian ways along or across a street, whether at
 2-7 grade or above or below the surface, and street lighting, street
 2-8 landscaping, and street art objects are parts of and necessary
 2-9 components of a street and are considered to be a street or road
 2-10 improvement.

2-11 (f) The district will not act as the agent or
 2-12 instrumentality of any private interest even though the district
 2-13 will benefit many private interests as well as the public.

2-14 Sec. 3905.005. DISTRICT TERRITORY. (a) The district is
 2-15 composed of the territory described by Section 2 of the Act enacting
 2-16 this chapter, as that territory may have been modified under
 2-17 Section 3905.107 or other law.

2-18 (b) The boundaries and field notes of the district contained
 2-19 in Section 2 of the Act enacting this chapter form a closure. A
 2-20 mistake in the field notes of the district contained in Section 2 of
 2-21 the Act enacting this chapter or in copying the field notes in the
 2-22 legislative process does not in any way affect the district's:

2-23 (1) organization, existence, or validity; or

2-24 (2) legality or operation.

2-25 Sec. 3905.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

2-26 (a) All or any part of the area of the district is eligible to be
 2-27 included in:

2-28 (1) a tax increment reinvestment zone created by the
 2-29 city under Chapter 311, Tax Code;

2-30 (2) a tax abatement reinvestment zone created by the
 2-31 city under Chapter 312, Tax Code; or

2-32 (3) an enterprise zone created by the city under
 2-33 Chapter 2303, Government Code.

2-34 (b) A tax increment reinvestment zone created by the city in
 2-35 the district is not subject to the limitations provided by Section
 2-36 311.006(a), Tax Code.

2-37 Sec. 3905.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-38 DISTRICTS LAW. Except as otherwise provided by this chapter,
 2-39 Chapter 375, Local Government Code, applies to the district.

2-40 Sec. 3905.008. LIBERAL CONSTRUCTION OF CHAPTER. This
 2-41 chapter shall be liberally construed in conformity with the
 2-42 findings and purposes stated in this chapter.

2-43 [Sections 3905.009-3905.050 reserved for expansion]

2-44 SUBCHAPTER B. BOARD OF DIRECTORS

2-45 Sec. 3905.051. GOVERNING BODY; TERMS. The district is
 2-46 governed by a board of nine directors who serve staggered terms of
 2-47 three years, with three directors' terms expiring June 1 of each
 2-48 year.

2-49 Sec. 3905.052. APPOINTMENT OF DIRECTORS. (a) The mayor and
 2-50 members of the governing body of the city shall appoint directors
 2-51 from persons recommended by the board. A person is appointed if a
 2-52 majority of the members and the mayor vote to appoint that person.

2-53 (b) A person may not be appointed to the board if the
 2-54 appointment of that person would result in fewer than two-thirds of
 2-55 the directors being residents of the city.

2-56 Sec. 3905.053. EX OFFICIO DIRECTORS. (a) The following
 2-57 persons serve as nonvoting ex officio directors:

2-58 (1) the directors of the parks and recreation,
 2-59 planning and development, public works, and civic center
 2-60 departments of the city;

2-61 (2) the chief of police of the city;

2-62 (3) the county's general manager of the Metropolitan
 2-63 Transit Authority of Harris County, Texas; and

2-64 (4) the president of each institution of higher
 2-65 learning located in the district.

2-66 (b) If a department described by Subsection (a) is
 2-67 consolidated, renamed, or changed, the board may appoint a director
 2-68 of the consolidated, renamed, or changed department as a nonvoting
 2-69 ex officio director. If a department described by Subsection (a) is

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

3-4 (c) The board may appoint the presiding officer of a
 3-5 nonprofit corporation that is actively involved in activities in
 3-6 the district to serve as a nonvoting ex officio director.

3-7 Sec. 3905.054. CONFLICTS OF INTEREST. (a) Except as
 3-8 provided by this section:

3-9 (1) a director may participate in all board votes and
 3-10 decisions; and

3-11 (2) Chapter 171, Local Government Code, governs
 3-12 conflicts of interest of board members.

3-13 (b) Section 171.004, Local Government Code, does not apply
 3-14 to the district. A director who has a substantial interest in a
 3-15 business or charitable entity that will receive a pecuniary benefit
 3-16 from a board action shall file an affidavit with the board secretary
 3-17 declaring the interest. Another affidavit is not required if the
 3-18 director's interest changes.

3-19 (c) After the affidavit is filed, the director may
 3-20 participate in a discussion or vote on that action if:

3-21 (1) a majority of the directors have a similar
 3-22 interest in the same entity; or

3-23 (2) all other similar business or charitable entities
 3-24 in the district will receive a similar pecuniary benefit.

3-25 (d) A director who is also an officer or employee of a public
 3-26 entity may not participate in a discussion of or vote on a matter
 3-27 regarding a contract with that same public entity.

3-28 (e) For purposes of this section, a director has a
 3-29 substantial interest in a charitable entity in the same manner that
 3-30 a person would have a substantial interest in a business entity
 3-31 under Section 171.002, Local Government Code.

3-32 Sec. 3905.055. COMPENSATION. The district shall compensate
 3-33 a director as provided by Section 49.060, Water Code.

3-34 Sec. 3905.056. INITIAL DIRECTORS. (a) The initial board
 3-35 consists of:

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

3-46 (b) Of the initial directors, the terms of directors serving
 3-47 in positions 1, 2, and 3 expire June 1, 2013, the terms of directors
 3-48 serving in positions 4, 5, and 6 expire June 1, 2014, and the terms
 3-49 of directors serving in positions 7, 8, and 9 expire June 1, 2015.

3-50 (c) Section 3905.052 does not apply to the initial
 3-51 directors.

3-52 (d) This section expires September 1, 2015.

3-53 [Sections 3905.057-3905.100 reserved for expansion]

3-54 SUBCHAPTER C. POWERS AND DUTIES

3-55 Sec. 3905.101. HOUSING FINANCE CORPORATION POWERS. (a)
 3-56 The district has the powers of a housing finance corporation
 3-57 created under Chapter 394, Local Government Code.

3-58 (b) The district may exercise the powers to provide housing
 3-59 or residential development projects in the district.

3-60 Sec. 3905.102. DEVELOPMENT CORPORATION POWERS. The
 3-61 district, using money available to the district, may exercise the
 3-62 powers given to a development corporation under Chapter 505, Local
 3-63 Government Code, including the power to own, operate, acquire,
 3-64 construct, lease, improve, or maintain a project under that
 3-65 chapter.

3-66 Sec. 3905.103. NONPROFIT CORPORATION. (a) The board by
 3-67 resolution may authorize the creation of a nonprofit corporation to
 3-68 assist and act for the district in implementing a project or
 3-69 providing a service authorized by this chapter.

4-1 (b) The nonprofit corporation:
 4-2 (1) has each power of and is considered to be a local
 4-3 government corporation created under Subchapter D, Chapter 431,
 4-4 Transportation Code; and

4-5 (2) may implement any project and provide any service
 4-6 authorized by this chapter.

4-7 (c) The board shall appoint the board of directors of the
 4-8 nonprofit corporation. The board of directors of the nonprofit
 4-9 corporation shall serve in the same manner as the board of directors
 4-10 of a local government corporation created under Subchapter D,
 4-11 Chapter 431, Transportation Code, except that a board member is not
 4-12 required to reside in the district.

4-13 Sec. 3905.104. AGREEMENTS; GRANTS. (a) As provided by
 4-14 Chapter 375, Local Government Code, the district may make an
 4-15 agreement with or accept a gift, grant, or loan from any person.

4-16 (b) The implementation of a project is a governmental
 4-17 function or service for the purposes of Chapter 791, Government
 4-18 Code.

4-19 Sec. 3905.105. LAW ENFORCEMENT SERVICES. To protect the
 4-20 public interest, the district may contract with the county or the
 4-21 city to provide law enforcement services in the district for a fee.

4-22 Sec. 3905.106. COMPETITIVE BIDDING. Section 375.221, Local
 4-23 Government Code, does not apply to a district contract for \$25,000
 4-24 or less.

4-25 Sec. 3905.107. ANNEXATION. In addition to the authority to
 4-26 annex territory under Subchapter C, Chapter 375, Local Government
 4-27 Code, the district has the authority to annex territory located in a
 4-28 reinvestment zone created by the city under Chapter 311, Tax Code,
 4-29 if the city's governing body consents to the annexation.

4-30 Sec. 3905.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The
 4-31 district may establish and provide for the administration of one or
 4-32 more programs to promote economic development and to stimulate
 4-33 business and commercial activity in the district, including
 4-34 programs to secure loans and receive grants of public money.

4-35 (b) The district may:

4-36 (1) contract with the federal government, the state, a
 4-37 political subdivision of the state, a nonprofit organization, or
 4-38 any other person for the administration of the program; and

4-39 (2) accept contributions, gifts, or other resources to
 4-40 develop and administer the program.

4-41 Sec. 3905.109. STRATEGIC PARTNERSHIP AGREEMENT. The
 4-42 district may negotiate and enter into a written strategic
 4-43 partnership agreement with the city, county, or Houston Independent
 4-44 School District.

4-45 Sec. 3905.110. REAL PROPERTY. (a) The district may buy,
 4-46 sell, own, or lease real property.

4-47 (b) The district may receive real property as a gift from
 4-48 any person.

4-49 Sec. 3905.111. RECEIPT OF SURPLUS PROPERTY. The district
 4-50 may receive surplus property from a school district that is located
 4-51 in the district.

4-52 Sec. 3905.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The
 4-53 district may own, lease, operate or manage a project to improve
 4-54 educational opportunities in the district.

4-55 Sec. 3905.113. NO EMINENT DOMAIN POWER. The district may
 4-56 not exercise the power of eminent domain.

4-57 [Sections 3905.114-3905.150 reserved for expansion]

4-58 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

4-59 Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND
 4-60 IMPROVEMENTS. (a) The board may not finance a service or an
 4-61 improvement project under this chapter unless a written petition
 4-62 requesting that service or improvement is filed with the board.

4-63 (b) The petition must be signed by:

4-64 (1) the owners of a majority of the assessed value of
 4-65 real property in the district according to the most recent
 4-66 certified tax appraisal roll for the county; or

4-67 (2) at least 25 owners of land in the district, if more
 4-68 than 25 persons own property in the district according to the most
 4-69 recent certified tax appraisal roll for the county.

5-1 Sec. 3905.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The
5-2 board by resolution shall establish the number of directors'
5-3 signatures and the procedure required for a disbursement or
5-4 transfer of the district's money.

5-5 Sec. 3905.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
5-6 ASSESSMENTS. The district may not impose an impact fee or
5-7 assessment on the property of a person that provides to the public
5-8 gas, electricity, telephone, sewage, or water service.

5-9 Sec. 3905.154. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
5-10 OBLIGATIONS. Except as provided by Section 375.263, Local
5-11 Government Code, a municipality is not required to pay a bond, note,
5-12 or other obligation of the district.

5-13 [Sections 3905.155-3905.200 reserved for expansion]

5-14 SUBCHAPTER E. DISSOLUTION

5-15 Sec. 3905.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
5-16 OUTSTANDING DEBT. (a) The board may vote to dissolve a district
5-17 that has debt. If the vote is in favor of dissolution, the district
5-18 shall remain in existence solely for the limited purpose of
5-19 discharging its debts. The dissolution is effective when all debts
5-20 have been discharged.

5-21 (b) Section 375.264, Local Government Code, does not apply
5-22 to the district.

5-23 SECTION 2. BOUNDARIES. The Near Northside Management
5-24 District initially includes all the territory contained in the
5-25 following area:

5-26 In Harris County, Texas, the territory enclosed by Loop 610 as the
5-27 north boundary, Lockwood Dr. as the east boundary, Interstate 10 as
5-28 the south boundary, and Jensen Dr. as the west boundary.

5-29 SECTION 3. (a) The legal notice of the intention to
5-30 introduce this Act, setting forth the general substance of this
5-31 Act, has been published as provided by law, and the notice and a
5-32 copy of this Act have been furnished to all persons, agencies,
5-33 officials, or entities to which they are required to be furnished
5-34 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-35 Government Code.

5-36 (b) The governor, one of the required recipients, has
5-37 submitted the notice and Act to the Texas Commission on
5-38 Environmental Quality.

5-39 (c) The Texas Commission on Environmental Quality has filed
5-40 its recommendations relating to this Act with the governor,
5-41 lieutenant governor, and speaker of the house of representatives
5-42 within the required time.

5-43 (d) The general law relating to consent by political
5-44 subdivisions to the creation of districts with conservation,
5-45 reclamation, and road powers and the inclusion of land in those
5-46 districts has been complied with.

5-47 (e) All requirements of the constitution and laws of this
5-48 state and the rules and procedures of the legislature with respect
5-49 to the notice, introduction, and passage of this Act have been
5-50 fulfilled and accomplished.

5-51 SECTION 4. This Act takes effect immediately if it receives
5-52 a vote of two-thirds of all the members elected to each house, as
5-53 provided by Section 39, Article III, Texas Constitution. If this
5-54 Act does not receive the vote necessary for immediate effect, this
5-55 Act takes effect September 1, 2011.

5-56 * * * * *