

BILL ANALYSIS

C.S.H.B. 3860
By: Dutton
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the development of Generation Park, a master-planned commercial development located within the extraterritorial jurisdiction of the City of Houston, and they contend that the size of the project will grow over time and that large businesses, such as FMC Technologies, Inc., plan to build and maintain headquarters there. The parties contend that the area would benefit from the creation of a management district to finance, construct, and operate a broad spectrum of high-quality infrastructure necessary to attract and support new businesses. C.S.H.B. 3860 seeks to address this issue.

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. 3860 amends the Special District Local Laws Code to create the Generation Park Management District, subject to voter approval at a confirmation election and municipal consent, to provide certain improvements, projects, and services for public use and benefit, such as recreational facilities, road projects, rail facilities, and public transit. The bill provides for, among other provisions, certain agreements with other entities, the annexation or exclusion of district land, applicability of state law to district contracts, defined areas to pay for district projects, liens for district assessments, dissolution of the district, and consolidation with another district. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments, certain fees, and sales and use, hotel occupancy, property, maintenance and operation, and contract taxes. A municipality is not required to pay district obligations. The district is prohibited from imposing an assessment on certain utility property and from exercising the power of eminent domain.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3860 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by

HOUSE COMMITTEE SUBSTITUTE

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83R 26019

13.120.350

Substitute Document Number: 83R 20376

adding Chapter 3916 to read as follows:
CHAPTER 3916. GENERATION PARK
MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 3916.001. DEFINITIONS.

Sec. 3916.002. CREATION AND
NATURE OF DISTRICT.

Sec. 3916.003. CONFIRMATION AND
DIRECTORS' ELECTION REQUIRED.

Sec. 3916.004. CONSENT OF
MUNICIPALITY REQUIRED.

Sec. 3916.005. PURPOSE;
DECLARATION OF INTENT.

Sec. 3916.006. FINDINGS OF BENEFIT
AND PUBLIC PURPOSE.

Sec. 3916.007. DISTRICT TERRITORY.

Sec. 3916.008. ELIGIBILITY FOR
INCLUSION IN SPECIAL ZONES.

Sec. 3916.009. APPLICABILITY OF
MUNICIPAL MANAGEMENT
DISTRICTS LAW.

Sec. 3916.010. CONSTRUCTION OF
CHAPTER.

Sec. 3916.011. CONFLICTS OF LAW.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 3916.051. GOVERNING BODY;
TERMS.

Sec. 3916.052. COMPENSATION.

Sec. 3916.053. TEMPORARY
DIRECTORS. (a) On or after the effective
date of the Act creating this chapter, the
owner or owners of a majority of the
assessed value of the real property in the
district according to the most recent
certified tax appraisal roll for the county
may submit a petition to the commission
requesting that the commission appoint as
temporary directors the five persons named

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in the petition.

The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3916.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 3916.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3916.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition.

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SUBCHAPTER C. POWERS AND DUTIES

Sec. 3916.101. GENERAL POWERS AND DUTIES.

Sec. 3916.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3916.103. RECREATIONAL FACILITIES.

in the petition. On request of the member of the state house of representatives in whose legislative district the largest percentage of the district is located, the owner or owners must include in the petition the name of a person designated by the representative.

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Sec. 3916.104. AUTHORITY FOR ROAD PROJECTS.

Sec. 3916.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

Sec. 3916.106. RAIL FACILITIES.

Sec. 3916.107. DEVELOPMENT CORPORATION POWERS.

Sec. 3916.108. NONPROFIT CORPORATION.

Sec. 3916.109. AGREEMENTS; GRANTS.

Sec. 3916.110. LAW ENFORCEMENT SERVICES.

Sec. 3916.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3916.112. ECONOMIC DEVELOPMENT.

Sec. 3916.113. STRATEGIC PARTNERSHIP AGREEMENT.

Sec. 3916.114. REGIONAL PARTICIPATION AGREEMENT.

Sec. 3916.115. ANNEXATION OR EXCLUSION OF LAND.

Sec. 3916.116. APPLICABILITY OF OTHER LAW TO CERTAIN CONTRACTS.

Sec. 3916.117. TERMS OF EMPLOYMENT; COMPENSATION.

Sec. 3916.118. NO EMINENT DOMAIN POWER.

SUBCHAPTER C-1. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3916.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

Sec. 3916.152. PARKING FACILITIES.

Sec. 3916.153. RULES.

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Sec. 3916.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

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Sec. 3916.153. RULES.

Sec. 3916.154. FEES.

Sec. 3916.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3916.201. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3916.202. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3916.203. METHOD OF NOTICE FOR HEARING.

Sec. 3916.204. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3916.205. TAX AND ASSESSMENT ABATEMENTS.

Sec. 3916.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS.

Sec. 3916.207. CONDUITS. The district may finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of conduits for:

- (1) fiber-optic cable and supporting facilities;
- (2) electronic transmission and distribution lines and supporting facilities; or
- (3) other types of transmission and distribution lines and supporting facilities.

Sec. 3916.208. RESIDENTIAL PROPERTY.

Sec. 3916.209. OPERATION AND MAINTENANCE TAX.

Sec. 3916.210. CONTRACT TAXES.

Sec. 3916.211. AUTHORITY TO BORROW MONEY AND TO ISSUE

Sec. 3916.154. FEES.

Sec. 3916.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY.

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- (3) other types of transmission and distribution lines and supporting facilities.

(b) The district may not require a person to use a conduit for a purpose described by Subsection (a)(1) or for any other telecommunications purpose.

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BONDS AND OTHER OBLIGATIONS.

Sec. 3916.212. TAXES FOR BONDS.

Sec. 3916.213. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3916.214. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.

SUBCHAPTER E. DEFINED AREAS

Sec. 3916.226. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY.

Sec. 3916.227. PROCEDURE FOR ELECTION.

Sec. 3916.228. DECLARING RESULT AND ISSUING ORDER.

Sec. 3916.229. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY.

Sec. 3916.230. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3916.251. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

Sec. 3916.252. ELECTION; ADOPTION OF TAX.

Sec. 3916.253. SALES AND USE TAX RATE.

Sec. 3916.254. TAX AFTER ANNEXATION.

Sec. 3916.255. NOTIFICATION OF RATE CHANGE.

Sec. 3916.256. USE OF REVENUE.

Sec. 3916.257. ABOLITION OF TAX.

SUBCHAPTER G. HOTEL OCCUPANCY

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Sec. 3916.301. DEFINITION.

Sec. 3916.302. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

Sec. 3916.303. TAX AUTHORIZED; USE OF REVENUE.

Sec. 3916.304. TAX RATE.

Sec. 3916.305. INFORMATION.

Sec. 3916.306. USE OF REVENUE.

Sec. 3916.307. ABOLITION OF TAX.

SUBCHAPTER H. DISSOLUTION AND CONSOLIDATION

Sec. 3916.351. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT.

Sec. 3916.352. CONSOLIDATION.

SECTION 2. Establishes initial boundaries for the Generation Park Management District.

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

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

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

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and

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SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

road powers and the inclusion of land in those districts has been complied with.

(e) 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 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 4. Same as introduced version.