

By: Zerwas

H.B. No. 3944

A BILL TO BE ENTITLED

AN ACT

relating to the creation of Fort Bend County Municipal Management District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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 3927 to read as follows:

CHAPTER 3927. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3927.001. DEFINITIONS. In this chapter:

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

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

(3) "County" means Fort Bend County.

(4) "Director" means a board member.

(5) "District" means the Fort Bend County Municipal Management District No. 1.

Sec. 3927.002. NATURE OF DISTRICT. The Fort Bend County Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3927.003. PURPOSE; DECLARATION OF INTENT. (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,

1 Texas Constitution, and other public purposes stated in this
2 chapter.

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

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

14 Sec. 3927.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
15 The district is created to serve a public use and benefit.

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

21 (c) The district is created to accomplish the purposes of a
22 municipal management district as provided by general law and
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
24 Texas Constitution.

25 (d) The creation of the district is in the public interest
26 and is essential to further the public purposes of:

27 (1) developing and diversifying the economy of the

1 state;

2 (2) eliminating unemployment and underemployment; and

3 (3) developing or expanding transportation and
4 commerce.

5 (e) The district will:

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

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

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

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

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

24 Sec. 3927.005. INITIAL DISTRICT TERRITORY. (a) The
25 district is initially composed of the territory described by
26 Section 2 of the Act enacting this chapter.

27 (b) The boundaries and field notes contained in Section 2 of

the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 3927.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district

1 for an improvement project.

2 Sec. 3927.007. CONSTRUCTION OF CHAPTER. This chapter shall
3 be liberally construed in conformity with the findings and purposes
4 stated in this chapter.

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Sec. 3927.051. GOVERNING BODY; TERMS. The district is
7 governed by a board of five elected directors who serve staggered
8 terms of four years, with two or three directors' terms expiring
9 each even-numbered year.

10 Sec. 3927.052. ELECTION DATE. The board shall hold an
11 election for directors on the uniform election date in May in
12 even-numbered years.

13 Sec. 3927.053. ELIGIBILITY. To be qualified to serve as a
14 director, a person must meet the qualifications prescribed by
15 Section 375.063, Local Government Code.

16 Sec. 3927.054. INITIAL VOTING DIRECTORS. (a) On or after
17 the effective date of the Act enacting this chapter, the owner or
18 owners of a majority of the assessed value of the real property in
19 the district according to the most recent certified tax appraisal
20 roll for the county may submit a petition to the Texas Commission on
21 Environmental Quality requesting that the commission appoint as
22 initial voting directors the five persons named in the petition.
23 The commission shall appoint the five persons named in the petition
24 as initial directors by position.

25 (b) The initial directors appointed under Subsection (a)
26 shall draw lots to determine which two directors shall serve until
27 the first regularly scheduled election under Section 3927.052 and

1 which three directors shall serve until the second regularly
2 scheduled election under Section 3927.052.

3 (c) Section 3927.051 does not apply to this section.

4 (d) This section expires September 1, 2017.

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 3927.101. GENERAL POWERS AND DUTIES. The district has
7 the powers and duties necessary to accomplish the purposes for
8 which the district is created.

9 Sec. 3927.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND
10 DUTIES. The district has the powers and duties provided by the
11 general law of this state, including Chapter 375, Local Government
12 Code, applicable to municipal management districts created under
13 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
14 Texas Constitution.

15 Sec. 3927.103. IMPROVEMENT PROJECTS AND SERVICES. The
16 district may provide, design, construct, acquire, improve,
17 relocate, operate, maintain, or finance an improvement project or
18 service using any money available to the district, or contract with
19 a governmental or private entity to provide, design, construct,
20 acquire, improve, relocate, operate, maintain, or finance an
21 improvement project or service authorized under this chapter or
22 Chapter 375, Local Government Code.

23 Sec. 3927.104. UTILITY AND RECREATIONAL FACILITIES AND
24 SERVICES AND ROADS PROHIBITED WITHOUT AGREEMENT. The district may
25 not provide water, wastewater, or recreational facilities or
26 services or roads to any land within both the district and a
27 municipal utility district unless the district and the municipal

1 utility district enter into a written agreement specifying the
2 facilities and services to be provided by the district.

3 Sec. 3927.105. AGREEMENTS; GRANTS. (a) As provided by
4 Chapter 375, Local Government Code, the district may make an
5 agreement with or accept a gift, grant, or loan from any person.

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

9 Sec. 3927.106. ECONOMIC DEVELOPMENT. (a) The district may
10 engage in activities that accomplish the economic development
11 purposes of the district.

12 (b) The district may establish and provide for the
13 administration of one or more programs to promote state or local
14 economic development and to stimulate business and commercial
15 activity in the district, including programs to:

16 (1) make loans and grants of public money; and

17 (2) provide district personnel and services.

18 (c) The district may create economic development programs
19 and exercise the economic development powers provided to
20 municipalities by:

21 (1) Chapter 380, Local Government Code; and

22 (2) Subchapter A, Chapter 1509, Government Code.

23 Sec. 3927.107. LIMITED EMINENT DOMAIN. The district may
24 exercise the power of eminent domain only for the purposes, only to
25 the extent, and subject to the limitations the general law provides
26 for a municipal utility district under Chapter 49, Water Code.

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

2 Sec. 3927.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
3 board by resolution shall establish the number of directors'
4 signatures and the procedure required for a disbursement or
5 transfer of district money.

6 Sec. 3927.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
7 The district may acquire, construct, finance, operate, or maintain
8 any improvement or service authorized under this chapter or Chapter
9 375, Local Government Code, using any money available to the
10 district.

11 Sec. 3927.153. PETITION REQUIRED FOR FINANCING SERVICES AND
12 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
13 service or improvement project with assessments under this chapter
14 unless a written petition requesting that service or improvement
15 has been filed with the board.

16 (b) A petition filed under Subsection (a) must be signed by
17 the owners of a majority of the assessed value of real property in
18 the district subject to assessment according to the most recent
19 certified tax appraisal roll for the county.

20 Sec. 3927.154. METHOD OF NOTICE OF HEARING. The district
21 may mail the notice required by Section 375.115(c), Local
22 Government Code, by certified or first class United States mail.
23 The board shall determine the method of mailing notice.

24 Sec. 3927.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
25 The board by resolution may impose and collect an assessment for any
26 purpose authorized by this chapter in all or any part of the
27 district.

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

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 (d) The board may make a correction to or deletion from the
19 assessment roll that does not increase the amount of assessment of
20 any parcel of land without providing notice and holding a hearing in
21 the manner required for additional assessments.

22 Sec. 3927.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section
23 375.161, Local Government Code, does not apply to the district.

24 SUBCHAPTER E. TAXES AND BONDS

25 Sec. 3927.201. ELECTIONS REGARDING TAXES AND BONDS. (a)
26 The district may issue, without an election, bonds, notes, and
27 other obligations secured by:

1 (1) revenue other than ad valorem taxes; or

2 (2) contract payments described by Section 3927.203.

3 (b) The district must hold an election in the manner
4 provided by Subchapter L, Chapter 375, Local Government Code, to
5 obtain voter approval before the district may impose an ad valorem
6 tax or issue bonds payable from ad valorem taxes.

7 (c) Section 375.243, Local Government Code, does not apply
8 to the district.

9 (d) The district may not issue bonds payable from ad valorem
10 taxes to finance a road project unless the issuance is approved by a
11 vote of a two-thirds majority of the district voters voting at an
12 election held for that purpose.

13 Sec. 3927.202. OPERATION AND MAINTENANCE TAX. (a) If
14 authorized by a majority of the district voters voting at an
15 election held in accordance with Section 3927.201, the district may
16 impose an operation and maintenance tax on taxable property in the
17 district in accordance with Section 49.107, Water Code, for
18 operation and maintenance purposes, including to:

19 (1) maintain and operate the district;

20 (2) construct or acquire improvements; or

21 (3) provide a service.

22 (b) The board shall determine the tax rate. The rate may not
23 exceed the rate approved at the election.

24 Sec. 3927.203. CONTRACT TAXES. (a) In accordance with
25 Section 49.108, Water Code, the district may impose a tax other than
26 an operation and maintenance tax and use the revenue derived from
27 the tax to make payments under a contract after the provisions of

1 the contract have been approved by a majority of the district voters
2 voting at an election held for that purpose.

3 (b) A contract approved by the district voters may contain a
4 provision stating that the contract may be modified or amended by
5 the board without further voter approval.

6 Sec. 3927.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
7 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
8 determined by the board.

9 (b) The district may issue bonds, notes, or other
10 obligations payable wholly or partly from ad valorem taxes,
11 assessments, impact fees, revenue, contract payments, grants, or
12 other district money, or any combination of those sources of money,
13 to pay for any authorized district purpose.

14 Sec. 3927.205. TAXES FOR BONDS. At the time the district
15 issues bonds payable wholly or partly from ad valorem taxes, the
16 board shall provide for the annual imposition of a continuing
17 direct annual ad valorem tax, without limit as to rate or amount,
18 for each year that all or part of the bonds are outstanding as
19 required and in the manner provided by Sections 54.601 and 54.602,
20 Water Code.

21 Sec. 3927.206. BONDS FOR ROAD PROJECTS. At the time of
22 issuance, the total principal amount of bonds or other obligations
23 issued or incurred to finance road projects and payable from ad
24 valorem taxes may not exceed one-fourth of the assessed value of the
25 real property in the district.

26 SECTION 2. The Fort Bend County Municipal Management
27 District No. 1 initially includes all territory contained in the

1 following area:

2 [[boundaries to be determined]]

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

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

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

17 (d) All requirements of the constitution and laws of this
18 state and the rules and procedures of the legislature with respect
19 to the notice, introduction, and passage of this Act are fulfilled
20 and accomplished.

21 SECTION 4. (a) Section 3927.107, Special District Local
22 Laws Code, as added by Section 1 of this Act, takes effect only if
23 this Act receives a two-thirds vote of all the members elected to
24 each house.

25 (b) If this Act does not receive a two-thirds vote of all the
26 members elected to each house, Subchapter C, Chapter 3927, Special
27 District Local Laws Code, as added by Section 1 of this Act, is

1 amended by adding Section 3927.107 to read as follows:

2 Sec. 3927.107. NO EMINENT DOMAIN POWER. The district may
3 not exercise the power of eminent domain.

4 (c) This section is not intended to be an expression of a
5 legislative interpretation of the requirements of Section 17(c),
6 Article I, Texas Constitution.

7 SECTION 5. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2013.