

By: Taylor

S.B. No. 1884

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Westwood Management District;  
3 providing authority to issue bonds; providing authority to impose  
4 fees or taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
7 Code, is amended by adding Chapter 3917 to read as follows:

8 CHAPTER 3917. WESTWOOD MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3917.001. DEFINITIONS. In this chapter:

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

12 (2) "City" means the City of League City.

13 (3) "County" means Galveston County.

14 (4) "Director" means a board member.

15 (5) "District" means the Westwood Management  
16 District.

17 Sec. 3917.002. PRECONDITION; EXPIRATION. (a) The district  
18 may not exercise any powers under this chapter until each  
19 municipality in whose corporate limits or extraterritorial  
20 jurisdiction the district is located has consented by ordinance or  
21 resolution to the creation of the district and to the inclusion of  
22 land in the district.

23 (b) This chapter, including Section 3917.055, expires  
24 September 1, 2015, if any municipality described by Subsection (a)

1 has not consented to the creation of the district and the inclusion  
2 of land in the district by that date.

3 Sec. 3917.003. NATURE OF DISTRICT. The Westwood Management  
4 District is a special district created under Section 59, Article  
5 XVI, Texas Constitution.

6 Sec. 3917.004. PURPOSE; DECLARATION OF INTENT. (a) The  
7 creation of the district is essential to accomplish the purposes of  
8 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
9 Texas Constitution, and other public purposes stated in this  
10 chapter. By creating the district and in authorizing the city, the  
11 county, and other political subdivisions to contract with the  
12 district, the legislature has established a program to accomplish  
13 the public purposes set out in Section 52-a, Article III, Texas  
14 Constitution.

15 (b) The creation of the district is necessary to promote,  
16 develop, encourage, and maintain employment, commerce,  
17 transportation, housing, tourism, recreation, the arts,  
18 entertainment, economic development, safety, and the public  
19 welfare in the district.

20 (c) This chapter and the creation of the district may not be  
21 interpreted to relieve the city or the county from providing the  
22 level of services provided as of the effective date of the Act  
23 enacting this chapter to the area in the district. The district is  
24 created to supplement and not to supplant city or county services  
25 provided in the district.

26 Sec. 3917.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
27 The district is created to serve a public use and benefit.

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

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

8           (1) developing and diversifying the economy of the  
9 state;

10           (2) eliminating unemployment and underemployment; and

11           (3) developing or expanding transportation and  
12 commerce.

13       (d) The district will:

14           (1) promote the health, safety, and general welfare of  
15 residents, employers, potential employees, employees, visitors,  
16 and consumers in the district, and of the public;

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

20           (3) promote the health, safety, welfare, and enjoyment  
21 of the public by providing pedestrian ways and by landscaping and  
22 developing certain areas in the district, which are necessary for  
23 the restoration, preservation, and enhancement of scenic beauty;  
24 and

25           (4) provide for water, wastewater, drainage, road, and  
26 recreational facilities for the district.

27       (e) Pedestrian ways along or across a street, whether at

1 grade or above or below the surface, and street lighting, street  
2 landscaping, parking, and street art objects are parts of and  
3 necessary components of a street and are considered to be a street  
4 or road improvement.

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

8 Sec. 3917.006. INITIAL DISTRICT TERRITORY. (a) The  
9 district is initially composed of the territory described by  
10 Section 2 of the Act enacting this chapter.

11 (b) The boundaries and field notes contained in Section 2 of  
12 the Act enacting this chapter form a closure. A mistake in the  
13 field notes or in copying the field notes in the legislative process  
14 does not affect the district's:

15 (1) organization, existence, or validity;

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

19 (3) right to impose or collect a tax; or

20 (4) legality or operation.

21 Sec. 3917.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES;  
22 AGREEMENTS. (a) All or any part of the area of the district is  
23 eligible to be included in:

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

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

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

3           (4) a district created under Chapter 42, Local  
4 Government Code, that has the same or similar powers, duties, and  
5 authority as the district created under this chapter.

6           (b) The district may enter into an agreement with a district  
7 described by Subsection (a)(4) to coordinate services and  
8 improvement projects.

9           Sec. 3917.008. APPLICABILITY OF MUNICIPAL MANAGEMENT  
10 DISTRICTS LAW. Except as otherwise provided by this chapter,  
11 Chapter 375, Local Government Code, applies to the district.

12           Sec. 3917.009. CONSTRUCTION OF CHAPTER. This chapter shall  
13 be liberally construed in conformity with the findings and purposes  
14 stated in this chapter.

15                           SUBCHAPTER B. BOARD OF DIRECTORS

16           Sec. 3917.051. GOVERNING BODY; TERMS. (a) The district is  
17 governed by a board of five directors who serve staggered terms of  
18 four years, with two or three directors' terms expiring June 1 of  
19 each odd-numbered year.

20           (b) The board by resolution or the governing body of the  
21 city by resolution or ordinance may change the number of directors  
22 on the board if the board determines that the change is in the best  
23 interest of the district. The board may not consist of fewer than  
24 five or more than seven directors.

25           Sec. 3917.052. APPOINTMENT OF DIRECTORS. The mayor and  
26 members of the governing body of the city shall appoint directors  
27 from persons recommended by the board. A person is appointed if a

1 majority of those members and the mayor vote to appoint that person.

2 Sec. 3917.053. QUORUM. For purposes of determining the  
3 requirements for a quorum of the board, the following are not  
4 counted:

5 (1) a board position vacant for any reason, including  
6 death, resignation, or disqualification; or

7 (2) a director who is abstaining from participation in  
8 a vote because of a conflict of interest.

9 Sec. 3917.054. COMPENSATION. A director is entitled to  
10 receive fees of office and reimbursement for actual expenses as  
11 provided by Section 49.060, Water Code. Sections 375.069 and  
12 375.070, Local Government Code, do not apply to the board.

13 Sec. 3917.055. INITIAL DIRECTORS. (a) The initial board  
14 consists of the following directors:

	<u>Pos. No.</u>	<u>Name of Director</u>
15	<u>1</u>	_____
16	<u>2</u>	_____
17	<u>3</u>	_____
18	<u>4</u>	_____
19	<u>5</u>	_____
20		

21 (b) Of the initial directors, the terms of directors  
22 appointed for positions one and two expire June 1, 2015, and the  
23 terms of directors appointed for positions three through five  
24 expire June 1, 2017.

25 (c) Section 3917.052 does not apply to this section.

26 (d) This section expires September 1, 2019.

1                   SUBCHAPTER C. POWERS AND DUTIES

2           Sec. 3917.101. GENERAL POWERS AND DUTIES. The district has  
3 the powers and duties necessary to accomplish the purposes for  
4 which the district is created.

5           Sec. 3917.102. IMPROVEMENT PROJECTS AND SERVICES. The  
6 district may provide, design, construct, acquire, improve,  
7 relocate, operate, maintain, or finance an improvement project or  
8 service using any money available to the district, or contract with  
9 a governmental or private entity to provide, design, construct,  
10 acquire, improve, relocate, operate, maintain, or finance an  
11 improvement project or service authorized under this chapter or  
12 Chapter 375, Local Government Code.

13           Sec. 3917.103. DEVELOPMENT CORPORATION AND DISTRICT  
14 POWERS. The district, using money available to the district, may  
15 exercise the powers given to a development corporation under  
16 Chapter 505, Local Government Code, and a municipal development  
17 district under Chapter 377, Local Government Code, including the  
18 power to own, operate, acquire, construct, lease, improve, or  
19 maintain a project under those chapters.

20           Sec. 3917.104. AGREEMENTS; GRANTS. (a) As provided by  
21 Chapter 375, Local Government Code, the district may make an  
22 agreement with or accept a gift, grant, or loan from any person.

23           (b) The implementation of a project is a governmental  
24 function or service for the purposes of Chapter 791, Government  
25 Code.

26           (c) The board may enter into a contract with the board of  
27 directors of a tax increment reinvestment zone created under

1 Chapter 311, Tax Code, that has territory within or bordering the  
2 district and the governing body of the municipality or county that  
3 created the zone to manage the zone or implement the project plan  
4 and reinvestment zone financing plan.

5 Sec. 3917.105. LAW ENFORCEMENT SERVICES. To protect the  
6 public interest, the district may contract with a qualified party,  
7 including the county or the city, to provide law enforcement  
8 services in the district for a fee.

9 Sec. 3917.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
10 district may join and pay dues to a charitable or nonprofit  
11 organization that performs a service or provides an activity  
12 consistent with the furtherance of a district purpose.

13 Sec. 3917.107. ECONOMIC DEVELOPMENT. (a) The district may  
14 engage in activities that accomplish the economic development  
15 purposes of the district.

16 (b) The district may establish and provide for the  
17 administration of one or more programs to promote state or local  
18 economic development and to stimulate business and commercial  
19 activity in the district, including programs to:

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

21 (2) provide district personnel and services.

22 (c) The district may create economic development programs  
23 and exercise the economic development powers that:

24 (1) Chapter 380, Local Government Code, provides to a  
25 municipality; and

26 (2) Subchapter A, Chapter 1509, Government Code,  
27 provides to a municipality.



1       Sec. 3917.108. ANNEXATION OR EXCLUSION OF LAND. (a) The  
2 district may annex land as provided by Subchapter J, Chapter 49,  
3 Water Code.

4       (b) The district may exclude land as provided by Subchapter  
5 J, Chapter 49, Water Code. Section 375.044(b), Local Government  
6 Code, does not apply to the district.

7       Sec. 3917.109. APPROVAL BY CITY. (a) The district must  
8 obtain the approval of the city for:

9           (1) the issuance of bonds; and

10          (2) the plans and specifications of an improvement  
11 project related to the use of land owned by the city, an easement  
12 granted to the city, or a right-of-way of a street, road, or  
13 highway.

14       (b) The district may not issue bonds until the governing  
15 body of the city adopts a resolution or ordinance authorizing the  
16 issuance of the bonds.

17       (c) The governing body of the city:

18           (1) is not required to adopt a resolution or ordinance  
19 to approve plans and specifications described by Subsection (a);  
20 and

21           (2) may establish an administrative process to approve  
22 plans and specifications described by Subsection (a) without the  
23 involvement of the governing body.

24       Sec. 3917.110. NO EMINENT DOMAIN POWER. The district may  
25 not exercise the power of eminent domain.

26       SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

27       Sec. 3917.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The

1 board by resolution shall establish the number of directors'  
2 signatures and the procedure required for a disbursement or  
3 transfer of district money.

4 Sec. 3917.152. MONEY USED FOR IMPROVEMENT PROJECTS OR  
5 SERVICES. The district may acquire, construct, finance, operate,  
6 or maintain an improvement project or service authorized under this  
7 chapter or Chapter 375, Local Government Code, using any money  
8 available to the district.

9 Sec. 3917.153. ASSESSMENTS NOT AUTHORIZED. (a) The  
10 district may not impose an assessment.

11 (b) Subchapter F, Chapter 375, Local Government Code, does  
12 not apply to the district.

13 Sec. 3917.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
14 375.161, Local Government Code, does not apply to a tax approved by  
15 the district voters or a required payment for service provided by  
16 the district, including water and sewer services.

17 Sec. 3917.155. COMPETITIVE BIDDING. Subchapter I, Chapter  
18 49, Water Code, applies to the district. Sections 375.221 and  
19 375.223, Local Government Code, do not apply to the district.

20 Sec. 3917.156. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO  
21 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district  
22 may issue bonds, impose taxes, or borrow money, the district and the  
23 city must negotiate and execute a mutually approved and accepted  
24 interlocal project development agreement regarding the development  
25 plans and rules for:

26 (1) the development and operation of the district; and

27 (2) the financing of improvement projects.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3917.201. ELECTIONS REGARDING TAXES AND BONDS. (a)

The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3917.253.

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

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

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 3917.202. OPERATION AND MAINTENANCE TAX. (a) If

authorized by a majority of the district voters voting at an election held in accordance with Section 3917.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

1       (c) Section 49.107(h), Water Code, does not apply to the  
2 district.

3       Sec. 3917.203. CONTRACT TAXES. (a) In accordance with  
4 Section 49.108, Water Code, the district may impose a tax other than  
5 an operation and maintenance tax and use the revenue derived from  
6 the tax to make payments under a contract after the provisions of  
7 the contract have been approved by a majority of the district voters  
8 voting at an election held for that purpose.

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

12       Sec. 3917.204. AUTHORITY TO BORROW MONEY AND TO ISSUE  
13 BONDS. (a) The district may borrow money on terms determined by  
14 the board. Section 375.205, Local Government Code, does not apply  
15 to a loan, line of credit, or other borrowing from a bank or  
16 financial institution secured by revenue other than ad valorem  
17 taxes.

18       (b) The district may issue bonds, notes, or other  
19 obligations payable wholly or partly from ad valorem taxes, impact  
20 fees, revenue, contract payments, grants, or other district money,  
21 or any combination of those sources of money, to pay for any  
22 authorized district purpose.

23       Sec. 3917.205. TAXES FOR BONDS. At the time the district  
24 issues bonds payable wholly or partly from ad valorem taxes, the  
25 board shall provide for the annual imposition of a continuing  
26 direct annual ad valorem tax, without limit as to rate or amount,  
27 for each year that all or part of the bonds are outstanding as

1 required and in the manner provided by Sections 54.601 and 54.602,  
2 Water Code.

3 Sec. 3917.206. BONDS FOR RECREATIONAL FACILITIES. The  
4 limitation on the outstanding principal amount of bonds, notes, and  
5 other obligations provided by Section 49.4645, Water Code, does not  
6 apply to the district.

7 Sec. 3917.207. CITY NOT REQUIRED TO PAY DISTRICT  
8 OBLIGATIONS. Except as provided by Section 375.263, Local  
9 Government Code, the city is not required to pay a bond, note, or  
10 other obligation of the district.

11 SUBCHAPTER F. DISSOLUTION

12 Sec. 3917.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING  
13 DEBT. (a) The district may be dissolved as provided by Subchapter  
14 M, Chapter 375, Local Government Code, except that Section 375.264,  
15 Local Government Code, does not apply to the district.

16 (b) The board may dissolve the district regardless of  
17 whether the district has debt.

18 (c) If the district has debt when it is dissolved, the  
19 district shall remain in existence solely for the purpose of  
20 discharging its debts. The dissolution is effective when all debts  
21 have been discharged.

22 SECTION 2. The Westwood Management District initially  
23 includes all territory contained in the following area:

24 [[[Boundaries to be determined]]]

25 SECTION 3. (a) The legal notice of the intention to  
26 introduce this Act, setting forth the general substance of this  
27 Act, has been published as provided by law, and the notice and a

1 copy of this Act have been furnished to all persons, agencies,  
2 officials, or entities to which they are required to be furnished  
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4 Government Code.

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

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

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

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

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