

BILL ANALYSIS

C.S.H.B. 4166
By: Schofield
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that a number of clarifications are needed to the Bridgeland Management District's enabling legislation. In addition, the parties suggest that the district should be authorized to provide and finance certain utility conduit facilities. C.S.H.B. 4166 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 4166 amends the Special District Local Laws Code to establish that the Bridgeland Management District is a governmental unit as provided by a general statutory provision relating to tort claims and the governmental agency nature of municipal management districts. The bill establishes that statutory provisions establishing and governing the district do not waive any governmental or sovereign immunity from suit, liability, or judgment that would otherwise apply to the district and that such provisions prevail over certain Water Code provisions related to general law districts. The bill includes transit facilities, parking facilities, conduit facilities and other enhanced infrastructure, and public art objects among the improvements that the district will provide in order to promote the health, safety, welfare, and enjoyment of the public. The bill applies to the district Water Code provisions relating to the disqualification of a person to serve as a member of a district's board of directors, but the bill does not affect the entitlement of a member serving on the district's board immediately before the bill's effective date to continue to carry out the board's functions for the remainder of the member's term. The bill specifies that all or any part of the district is eligible to be included in one or more of the following: a tax increment reinvestment zone, a tax abatement reinvestment zone, an enterprise zone, or an industrial district.

C.S.H.B. 4166 authorizes, rather than requires, the district to convey certain road projects to a municipality, county, or the state, and the bill authorizes the district to own, operate, and maintain such roads and improvements. The bill removes a statutory provision authorizing the district to contract with a qualified party to provide law enforcement services in the district and instead establishes that the district may contract for or employ its own peace officers in the manner provided for a general law district. The bill establishes that for purposes of the district's authority to include and exclude land as provided by Water Code provisions relating to adding and excluding territory in a municipal utility district, a reference to a "tax" in those provisions

means a property tax. The bill establishes that if the district adopts a sales and use tax and subsequently includes new territory in the district, the district is not required to hold another election to approve the imposition of the sales and use tax in the included territory and is required to impose the sales and use tax in the included territory as provided by the Municipal Sales and Use Tax Act. The bill establishes that if the district adopts a sales and use tax and subsequently excludes territory in the district, the sales and use tax is inapplicable to the excluded territory.

C.S.H.B. 4166 authorizes the district to enforce, in addition to adopt, rules covering its public transit system or its public parking facilities and establishes that the district's authority to adopt and enforce such rules is in addition to the district's general authority to adopt rules and regulations as a municipal management district. The bill establishes that statutory provisions governing the district's public transit system and parking facilities do not limit the authority of the district to provide mass transit systems. The bill authorizes the district to finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of conduits for transmission and distribution lines and supporting facilities. The bill prohibits the district from requiring a person to use a district conduit for a telecommunications purpose. The bill establishes that the board's authority to impose and collect an assessment for any authorized purpose in all or any part of the district applies regardless of whether the part of the district where the assessment is to be imposed is subject to an assessment previously imposed by the board. The bill authorizes the district to elect to complete an annual financial report in lieu of an annual audit under certain circumstances and sets out requirements for the financial report and related documents.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4166 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 3901.002, Special District Local Laws Code, is amended.	SECTION 1. Same as introduced version.
SECTION 2. Section 3901.006(d), Special District Local Laws Code, is amended.	SECTION 2. Same as introduced version.
No equivalent provision.	SECTION 3. Section 3901.008, Special District Local Laws Code, is amended to read as follows: Sec. 3901.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in <u>one or more of the following</u> : (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.

SECTION 3. Section 3901.011, Special District Local Laws Code, is amended.

SECTION 4. Same as introduced version.

SECTION 4. Subchapter B, Chapter 3901, Special District Local Laws Code, is amended.

SECTION 5. Same as introduced version.

SECTION 5. Section 3901.103, Special District Local Laws Code, is amended.

SECTION 6. Same as introduced version.

SECTION 6. Section 3901.104, Special District Local Laws Code, is amended.

SECTION 7. Same as introduced version.

SECTION 7. Sections 3901.105(a) and (b), Special District Local Laws Code, are amended.

SECTION 8. Same as introduced version.

SECTION 8. Section 3901.109, Special District Local Laws Code, is amended.

SECTION 9. Same as introduced version.

SECTION 9. Section 3901.114, Special District Local Laws Code, is amended.

SECTION 10. Same as introduced version.

SECTION 10. Section 3901.115(a), Special District Local Laws Code, is amended to read as follows:

No equivalent provision.

(a) Subchapter I, Chapter 49, Water Code, applies to a district contract for construction work, equipment, materials, or machinery. Notwithstanding Sections 2269.003(a) and 2269.352, Government Code, the [The] district may use any [a] project delivery method described by Subchapter I, Chapter 49, Water Code, or Chapter 2269, Government Code, including a delivery method described by Subchapter H, Chapter 2269, Government Code [Subchapter H, Chapter 271, Local Government Code].

SECTION 11. Section 3901.153, Special District Local Laws Code, is amended.

SECTION 11. Same as introduced version.

SECTION 12. Subchapter C-1, Chapter 3901, Special District Local Laws Code, is amended.

SECTION 12. Same as introduced version.

SECTION 13. Chapter 3901, Special District Local Laws Code, is amended.

SECTION 13. Same as introduced version.

SECTION 14. Section 3901.204(a), Special District Local Laws Code, is amended.

SECTION 14. Same as introduced version.

SECTION 15. Subchapter D, Chapter 3901, Special District Local Laws Code, is amended.

SECTION 15. Same as introduced version.

SECTION 16. Section 3901.351, Special District Local Laws Code, is amended to read as follows:

No equivalent provision.

Sec. 3901.351. DISSOLUTION OF DISTRICT ~~[WITH—OUTSTANDING DEBT]~~. (a) Sections 375.262 and 375.264, Local Government Code, do not apply to the district.

(b) The board may dissolve the district regardless of whether the district has debt. ~~[Section 375.264, Local Government Code, does not apply to the district.]~~

~~[(b)]~~ If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(c) Notwithstanding Section 375.263(b), Local Government Code, on dissolution of the district, the board shall determine whether the district's assets will escheat to the state or are transferred to a political subdivision of the state.

SECTION 17. The change in law made by Section 3901.054, Special District Local Laws Code, as added by this Act, does not affect the entitlement of a member serving on the board of directors of the Bridgeland Management District immediately before the effective date of this Act to continue to carry out the board's functions for the remainder of the member's term. The change in law applies only to a member elected on or after the effective date of this Act.

SECTION 16. Same as introduced version.

SECTION 18. (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, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 19. 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, 2015.

SECTION 17. Same as introduced version.

SECTION 18. Same as introduced version.