

By: Davis of Harris

H.B. No. 2353

Substitute the following for H.B. No. 2353:

By: Zedler

C.S.H.B. No. 2353

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the creation of Saint George Place Management District;  
3 providing authority to issue bonds; providing authority to impose  
4 assessments.

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 3925 to read as follows:

8 CHAPTER 3925. SAINT GEORGE PLACE MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3925.001. DEFINITIONS. In this chapter:

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

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

13 (3) "County" means Harris County.

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

15 (5) "District" means the Saint George Place Management  
16 District.

17 (6) "Zone" means the Tax Increment Reinvestment Zone  
18 No. One, City of Houston, Texas, designated by the city in Ordinance  
19 No. 90-1452, dated December 12, 1990.

20 Sec. 3925.002. NATURE OF DISTRICT. The Saint George Place  
21 Management District is a special district created under Section 59,  
22 Article XVI, Texas Constitution.

23 Sec. 3925.003. PURPOSE; DECLARATION OF INTENT. (a) The  
24 creation of the district is essential to accomplish the purposes of

1 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
2 Texas Constitution, and other public purposes stated in this  
3 chapter. By creating the district and in authorizing the city, the  
4 county, and other political subdivisions to contract with the  
5 district, the legislature has established a program to accomplish  
6 the public purposes set out in Section 52-a, Article III, Texas  
7 Constitution.

8 (b) The creation of the district is necessary to promote,  
9 develop, encourage, and maintain commerce, transportation,  
10 housing, recreation, economic development, safety, and the public  
11 welfare in the district.

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

18 Sec. 3925.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
19 The district is created to serve a public use and benefit.

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

25 (c) 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 (d) 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;

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 and

17 (4) provide for water, wastewater, drainage, road,  
18 sound barrier and security walls, recreational facilities, and city  
19 code enforcement for the district.

20 (e) Pedestrian ways along or across a street, whether at  
21 grade or above or below the surface, and street lighting, street  
22 landscaping, parking, and street art objects are parts of and  
23 necessary components of a street and are considered to be a street  
24 or road improvement.

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

1       Sec. 3925.005. INITIAL DISTRICT TERRITORY. The district is  
2 initially composed of the territory described by Section 2 of the  
3 Act enacting this chapter.

4       Sec. 3925.006. APPLICABILITY OF MUNICIPAL MANAGEMENT  
5 DISTRICTS LAW. Except as otherwise provided by this chapter,  
6 Chapter 375, Local Government Code, applies to the district.

7       Sec. 3925.007. CONSTRUCTION OF CHAPTER. This chapter shall  
8 be liberally construed in conformity with the findings and purposes  
9 stated in this chapter.

10                   SUBCHAPTER B. BOARD OF DIRECTORS

11       Sec. 3925.051. GOVERNING BODY; TERMS. (a) The district is  
12 governed by a board of nine voting directors.

13       (b) Except as provided by Section 3925.052, the directors of  
14 the zone are the voting directors of the board and their terms as  
15 directors of the district are coterminous with their terms as  
16 directors of the zone.

17       Sec. 3925.052. VOTING DIRECTORS IF ZONE DISSOLVED; TERMS.

18       (a) If the zone is dissolved, the mayor and members of the  
19 governing body of the city shall appoint voting directors from  
20 persons recommended by the board. A person is appointed if a  
21 majority of the members of the governing body and the mayor vote to  
22 appoint that person.

23       (b) Directors appointed under Subsection (a) serve  
24 staggered terms of four years, with four or five directors' terms  
25 expiring June 1 of each odd-numbered year. The initial directors  
26 appointed under Subsection (a) shall establish the staggered terms  
27 of each initial director by lot.

1       Sec. 3925.053. NONVOTING DIRECTORS. The board may appoint  
2 nonvoting directors to serve at the pleasure of the voting  
3 directors.

4       Sec. 3925.054. VACANCY IF ZONE DISSOLVED. If a vacancy  
5 occurs on the board after the zone is dissolved, the remaining  
6 directors shall appoint a director for the remainder of the  
7 unexpired term.

8       Sec. 3925.055. QUORUM. For purposes of determining the  
9 requirements for a quorum of the board, the following are not  
10 counted:

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

13           (2) a director who is abstaining from participation in  
14 a vote because of a conflict of interest; or

15           (3) a nonvoting director.

16                   SUBCHAPTER C. POWERS AND DUTIES

17       Sec. 3925.101. GENERAL POWERS AND DUTIES. The district has  
18 the powers and duties necessary to accomplish the purposes for  
19 which the district is created.

20       Sec. 3925.102. IMPROVEMENT PROJECTS AND SERVICES. The  
21 district may provide, design, construct, acquire, improve,  
22 relocate, operate, maintain, or finance an improvement project or  
23 service using any money available to the district, or contract with  
24 a governmental or private entity to provide, design, construct,  
25 acquire, improve, relocate, operate, maintain, or finance an  
26 improvement project or service authorized under this chapter or  
27 Chapter 375, Local Government Code.

1       Sec. 3925.103. DEVELOPMENT CORPORATION POWERS. The  
2 district, using money available to the district, may exercise the  
3 powers given to a development corporation under Chapter 505, Local  
4 Government Code, including the power to own, operate, acquire,  
5 construct, lease, improve, or maintain a project under that  
6 chapter.

7       Sec. 3925.104. AGREEMENTS; GRANTS. (a) As provided by  
8 Chapter 375, Local Government Code, the district may make an  
9 agreement with or accept a gift, grant, or loan from any person.

10       (b) The district may enter into an agreement with the city  
11 to administer and enforce a city zoning ordinance applicable to the  
12 district in the territory of the district.

13       (c) The implementation of a project is a governmental  
14 function or service for the purposes of Chapter 791, Government  
15 Code.

16       Sec. 3925.105. LAW ENFORCEMENT SERVICES. To protect the  
17 public interest, the district may contract with a qualified party,  
18 including the county or the city, to provide law enforcement or  
19 security services in the district.

20       Sec. 3925.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
21 district may join and pay dues to a charitable or nonprofit  
22 organization that performs a service or provides an activity  
23 consistent with the furtherance of a district purpose.

24       Sec. 3925.107. ECONOMIC DEVELOPMENT. (a) The district may  
25 engage in activities that accomplish the economic development  
26 purposes of the district.

27       (b) The district may establish and provide for the

1 administration of one or more programs to promote state or local  
2 economic development and to stimulate business and commercial  
3 activity in the district, including programs to:

- 4 (1) make loans and grants of public money; and
- 5 (2) provide district personnel and services.

6 (c) The district may create economic development programs  
7 and exercise the economic development powers provided to  
8 municipalities by:

- 9 (1) Chapter 380, Local Government Code; and
- 10 (2) Subchapter A, Chapter 1509, Government Code.

11 Sec. 3925.108. APPROVAL BY CITY. (a) Except as provided by  
12 Subsection (c), the district must obtain the approval of the city  
13 for:

- 14 (1) the issuance of bonds that require the approval of  
15 the attorney general;
- 16 (2) the plans and specifications of an improvement  
17 project financed by bonds; and
- 18 (3) the plans and specifications of an improvement  
19 project related to the use of land owned by the city, an easement  
20 granted by the city, or a right-of-way of a street, road, or  
21 highway.

22 (b) The district may not issue bonds until the governing  
23 body of the city adopts a resolution or ordinance authorizing the  
24 issuance of the bonds.

25 (c) If the district obtains the approval of the governing  
26 body of the city of a capital improvements budget for a period not  
27 to exceed 10 years, the district may finance the capital

1 improvements and issue bonds specified in the budget without  
2 further approval from the city.

3 (d) The governing body of the city:

4 (1) is not required to adopt a resolution or ordinance  
5 to approve plans and specifications described by Subsection (a);  
6 and

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

10 Sec. 3925.109. NO EMINENT DOMAIN POWER. The district may  
11 not exercise the power of eminent domain.

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

13 Sec. 3925.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
14 board by resolution shall establish the number of directors'  
15 signatures and the procedure required for a disbursement or  
16 transfer of district money.

17 Sec. 3925.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
18 The district may acquire, construct, finance, operate, or maintain  
19 any improvement or service authorized under this chapter or Chapter  
20 375, Local Government Code, using any money available to the  
21 district.

22 Sec. 3925.153. BUDGET; ASSESSMENTS. (a) The board shall  
23 approve an annual budget for the district based on anticipated  
24 assessment revenue.

25 (b) The board by resolution may impose and collect an  
26 assessment, for any purpose authorized by this chapter, using only  
27 the method described by this section.



1       (c) The board may impose an assessment in all or any part of  
2 the district at a rate of \$0.07 per square foot of taxable property,  
3 and may impose a supplemental annual assessment at a rate of \$300  
4 per lot.

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

9       (e) In a year in which the approved expenses in the annual  
10 budget exceed the district's annual revenue from all sources, the  
11 board may approve an increase to the rate of the supplemental annual  
12 assessment to accommodate the expenses if the percentage change in  
13 the amount of the supplemental annual assessment does not exceed:

14           (1) two percent for that year as compared to the  
15 previous year; or

16           (2) 10 percent over a five-year period.

17       (f) The district may not approve a supplemental assessment  
18 under Section 375.122(1), Local Government Code, to pay costs of an  
19 improvement project or service if the additional costs that are the  
20 subject of the supplemental assessment exceed 25 percent of the  
21 original total cost of the improvement project or service.

22       (g) A provision of this subchapter regarding an assessment  
23 prevails over a conflicting provision of Chapter 375, Local  
24 Government Code, as provided by Section 3925.006.

25       Sec. 3925.154. PETITION REQUIRED FOR FINANCING SERVICES AND  
26 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
27 service or improvement project with assessments under this chapter

1 unless a written petition requesting that service or improvement  
2 for all or part of the district has been filed with the board.

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

7 Sec. 3925.155. METHOD OF NOTICE FOR HEARING. The district  
8 may mail the notice required by Section 375.115(c), Local  
9 Government Code, by certified or first class United States mail.  
10 The board shall determine the method of notice.

11 Sec. 3925.156. LIENS FOR ASSESSMENTS. (a) An assessment, a  
12 reassessment, or an assessment resulting from an addition to or  
13 correction of the assessment roll by the district, penalties and  
14 interest on an assessment or reassessment, an expense of  
15 collection, and reasonable attorney's fees incurred by the  
16 district:

17 (1) are a first and prior lien against the property  
18 assessed;

19 (2) are superior to any other lien or claim other than  
20 a lien or claim for county, school district, or municipal ad valorem  
21 taxes; and

22 (3) are the personal liability of and a charge against  
23 the owners of the property even if the owners are not named in the  
24 assessment proceedings.

25 (b) The lien is effective from the date of the board's  
26 resolution imposing the assessment until the date the assessment is  
27 paid.

1 Sec. 3925.157. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
2 375.161, Local Government Code, does not apply to the district.

3 Sec. 3925.158. ASSESSMENT ABATEMENT. The district may  
4 designate reinvestment zones and may grant abatements of  
5 assessments on property in the zones.

6 Sec. 3925.159. NO IMPACT FEES. The district may not impose  
7 an impact fee.

8 Sec. 3925.160. NO AD VALOREM TAX. The district may not  
9 impose an ad valorem tax.

10 SUBCHAPTER E. BONDS

11 Sec. 3925.201. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS  
12 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms  
13 determined by the board.

14 (b) The district may issue bonds, notes, or other  
15 obligations payable wholly or partly from assessments, revenue,  
16 contract payments, grants, or other district money, or any  
17 combination of those sources of money, to pay for any authorized  
18 district purpose.

19 Sec. 3925.202. CITY NOT REQUIRED TO PAY DISTRICT  
20 OBLIGATIONS. Except as provided by Section 375.263, Local  
21 Government Code, the city is not required to pay a bond, note, or  
22 other obligation of the district.

23 SUBCHAPTER F. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION

24 Sec. 3925.251. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION.  
25 (a) The city shall dissolve a public improvement district created  
26 by the city under Chapter 372, Local Government Code, that is in the  
27 boundaries of the district if the board imposes an assessment.

1        (b) A public improvement district that is dissolved under  
2 this section shall remain in effect for the purposes of meeting  
3 obligations of indebtedness and collecting delinquent assessments.

4                    SUBCHAPTER G. CONSOLIDATION

5        Sec. 3925.301. The district may not be consolidated with  
6 another district that has the powers of a district created under  
7 Chapter 375, Local Government Code.

8                    SUBCHAPTER H. DISSOLUTION

9        Sec. 3925.351. DISSOLUTION BY PETITION BY OWNERS. (a)  
10 Section 375.262, Local Government Code, does not apply to the  
11 district.

12        (b) Except as limited by Section 375.264, Local Government  
13 Code, the board shall dissolve the district on written petition  
14 filed with the board by the owners of:

15                    (1) 50 percent or more of the assessed value of the  
16 property in the district based on the most recent certified county  
17 property tax rolls; or

18                    (2) 50 percent or more of the surface area of the  
19 district, excluding roads, streets, highways, utility  
20 rights-of-way, other public areas, and other property exempt from  
21 assessment under Sections 375.163 and 375.164, Local Government  
22 Code, according to the most recent certified county property tax  
23 rolls.

24        SECTION 2. The Saint George Place Management District  
25 initially includes all territory contained in the Tax Increment  
26 Reinvestment Zone No. One, City of Houston, Texas, designated by  
27 the City of Houston in Ordinance No. 90-1452, dated December 12,

1 1990, as that zone is configured on the effective date of this Act.

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

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

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

16 (d) The general law relating to consent by political  
17 subdivisions to the creation of districts with conservation,  
18 reclamation, and road powers and the inclusion of land in those  
19 districts has been complied with.

20 (e) All requirements of the constitution and laws of this  
21 state and the rules and procedures of the legislature with respect  
22 to the notice, introduction, and passage of this Act have been  
23 fulfilled and accomplished.

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

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1 Act takes effect September 1, 2015.