

By: Davis of Harris

H.B. No. 2353

A BILL TO BE ENTITLED

1 AN ACT  
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. NONPROFIT CORPORATION. (a) The board by  
8 resolution may authorize the creation of a nonprofit corporation to  
9 assist and act for the district in implementing a project or  
10 providing a service authorized by this chapter.

11       (b) The nonprofit corporation:

12               (1) has each power of and is considered to be a local  
13 government corporation created under Subchapter D, Chapter 431,  
14 Transportation Code; and

15               (2) may implement any project and provide any service  
16 authorized by this chapter.

17       (c) The board shall appoint the board of directors of the  
18 nonprofit corporation. The board of directors of the nonprofit  
19 corporation shall serve in the same manner as the board of directors  
20 of a local government corporation created under Subchapter D,  
21 Chapter 431, Transportation Code, except that a board member is not  
22 required to reside in the district.

23       Sec. 3925.105. AGREEMENTS; GRANTS. (a) As provided by  
24 Chapter 375, Local Government Code, the district may make an  
25 agreement with or accept a gift, grant, or loan from any person.

26       (b) The district may enter into an agreement with the city  
27 to administer and enforce a city zoning ordinance applicable to the

1 district in the territory of the district.

2 (c) The implementation of a project is a governmental  
3 function or service for the purposes of Chapter 791, Government  
4 Code.

5 Sec. 3925.106. 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 or  
8 security services in the district.

9 Sec. 3925.107. 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. 3925.108. 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 provided to  
24 municipalities by:

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

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

27 Sec. 3925.109. APPROVAL BY CITY. (a) Except as provided by

1 Subsection (c), the district must obtain the approval of the city  
2 for:

3 (1) the issuance of bonds that require the approval of  
4 the attorney general;

5 (2) the plans and specifications of an improvement  
6 project financed by bonds; and

7 (3) the plans and specifications of an improvement  
8 project related to the use of land owned by the city, an easement  
9 granted by the city, or a right-of-way of a street, road, or  
10 highway.

11 (b) The district may not issue bonds until the governing  
12 body of the city adopts a resolution or ordinance authorizing the  
13 issuance of the bonds.

14 (c) If the district obtains the approval of the governing  
15 body of the city of a capital improvements budget for a period not  
16 to exceed 10 years, the district may finance the capital  
17 improvements and issue bonds specified in the budget without  
18 further approval from the city.

19 (d) The governing body of the city:

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

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

26 Sec. 3925.110. NO EMINENT DOMAIN POWER. The district may  
27 not exercise the power of eminent domain.

1       SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

2       Sec. 3925.151. 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. 3925.152. 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. 3925.153. BUDGET; ASSESSMENTS. (a) The board shall  
12 approve an annual budget for the district based on anticipated  
13 assessment revenue.

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

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

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

25       (e) In a year in which the approved expenses in the annual  
26 budget exceed the district's annual revenue from all sources, the  
27 board may approve an increase to the rate of the supplemental annual

1 assessment to accommodate the expenses if the percentage change in  
2 the amount of the supplemental annual assessment does not exceed:

3 (1) two percent for that year as compared to the  
4 previous year; or

5 (2) 10 percent over a five-year period.

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

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

14 Sec. 3925.154. PETITION REQUIRED FOR FINANCING SERVICES AND  
15 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
16 service or improvement project with assessments under this chapter  
17 unless a written petition requesting that service or improvement  
18 for all or part of the district has been filed with the board.

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

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

27 Sec. 3925.156. LIENS FOR ASSESSMENTS. (a) An assessment, a

1 reassessment, or an assessment resulting from an addition to or  
2 correction of the assessment roll by the district, penalties and  
3 interest on an assessment or reassessment, an expense of  
4 collection, and reasonable attorney's fees incurred by the  
5 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 (b) The lien is effective from the date of the board's  
15 resolution imposing the assessment until the date the assessment is  
16 paid.

17 Sec. 3925.157. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
18 375.161, Local Government Code, does not apply to the district.

19 Sec. 3925.158. ASSESSMENT ABATEMENT. The district may  
20 designate reinvestment zones and may grant abatements of  
21 assessments on property in the zones.

22 Sec. 3925.159. NO IMPACT FEES. The district may not impose  
23 an impact fee.

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

26 SUBCHAPTER E. BONDS

27 Sec. 3925.201. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS

1 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms  
2 determined by the board.

3 (b) The district may issue bonds, notes, or other  
4 obligations payable wholly or partly from assessments, revenue,  
5 contract payments, grants, or other district money, or any  
6 combination of those sources of money, to pay for any authorized  
7 district purpose.

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

12 SUBCHAPTER F. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION

13 Sec. 3925.251. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION.

14 (a) The city shall dissolve a public improvement district created  
15 by the city under Chapter 372, Local Government Code, that is in the  
16 boundaries of the district if the board imposes an assessment.

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

20 SUBCHAPTER G. CONSOLIDATION

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

24 SUBCHAPTER H. DISSOLUTION

25 Sec. 3925.351. DISSOLUTION BY PETITION BY OWNERS. (a)  
26 Section 375.262, Local Government Code, does not apply to the  
27 district.

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

4           (1) 50 percent or more of the assessed value of the  
5 property in the district based on the most recent certified county  
6 property tax rolls; or

7           (2) 50 percent or more of the surface area of the  
8 district, excluding roads, streets, highways, utility  
9 rights-of-way, other public areas, and other property exempt from  
10 assessment under Sections 375.163 and 375.164, Local Government  
11 Code, according to the most recent certified county property tax  
12 rolls.

13           SECTION 2. The Saint George Place Management District  
14 initially includes all territory contained in the Tax Increment  
15 Reinvestment Zone No. One, City of Houston, Texas, designated by  
16 the City of Houston in Ordinance No. 90-1452, dated December 12,  
17 1990, as that zone is configured on the effective date of this Act.

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

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

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

5           (d) The general law relating to consent by political  
6 subdivisions to the creation of districts with conservation,  
7 reclamation, and road powers and the inclusion of land in those  
8 districts has been complied with.

9           (e) All requirements of the constitution and laws of this  
10 state and the rules and procedures of the legislature with respect  
11 to the notice, introduction, and passage of this Act have been  
12 fulfilled and accomplished.

13           SECTION 4. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2015.