

1-1 By: Davis of Harris, Wu (Senate Sponsor - Huffman) H.B. No. 2353
1-2 (In the Senate - Received from the House May 18, 2015;
1-3 May 18, 2015, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 22, 2015, reported favorably by
1-5 the following vote: Yeas 6, Nays 1; May 22, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9		X		
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the creation of Saint George Place Management District;
1-18 providing authority to issue bonds; providing authority to impose
1-19 assessments.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-22 Code, is amended by adding Chapter 3925 to read as follows:

1-23 CHAPTER 3925. SAINT GEORGE PLACE MANAGEMENT DISTRICT
1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 3925.001. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the district's board of directors.

1-27 (2) "City" means the City of Houston.

1-28 (3) "County" means Harris County.

1-29 (4) "Director" means a board member.

1-30 (5) "District" means the Saint George Place Management
1-31 District.

1-32 (6) "Zone" means the Tax Increment Reinvestment Zone
1-33 No. One, City of Houston, Texas, designated by the city in Ordinance
1-34 No. 90-1452, dated December 12, 1990.

1-35 Sec. 3925.002. NATURE OF DISTRICT. The Saint George Place
1-36 Management District is a special district created under Section 59,
1-37 Article XVI, Texas Constitution.

1-38 Sec. 3925.003. PURPOSE; DECLARATION OF INTENT. (a) The
1-39 creation of the district is essential to accomplish the purposes of
1-40 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-41 Texas Constitution, and other public purposes stated in this
1-42 chapter. By creating the district and in authorizing the city, the
1-43 county, and other political subdivisions to contract with the
1-44 district, the legislature has established a program to accomplish
1-45 the public purposes set out in Section 52-a, Article III, Texas
1-46 Constitution.

1-47 (b) The creation of the district is necessary to promote,
1-48 develop, encourage, and maintain commerce, transportation,
1-49 housing, recreation, economic development, safety, and the public
1-50 welfare in the district.

1-51 (c) This chapter and the creation of the district may not be
1-52 interpreted to relieve the city or the county from providing the
1-53 level of services provided as of the effective date of the Act
1-54 enacting this chapter to the area in the district. The district is
1-55 created to supplement and not to supplant city or county services
1-56 provided in the district.

1-57 Sec. 3925.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-58 The district is created to serve a public use and benefit.

1-59 (b) All land and other property included in the district
1-60 will benefit from the improvements and services to be provided by
1-61 the district under powers conferred by Sections 52 and 52-a,

2-1 Article III, and Section 59, Article XVI, Texas Constitution, and
 2-2 other powers granted under this chapter.
 2-3 (c) The creation of the district is in the public interest
 2-4 and is essential to further the public purposes of:
 2-5 (1) developing and diversifying the economy of the
 2-6 state;
 2-7 (2) eliminating unemployment and underemployment; and
 2-8 (3) developing or expanding transportation and
 2-9 commerce.
 2-10 (d) The district will:
 2-11 (1) promote the health, safety, and general welfare of
 2-12 residents, employers, potential employees, employees, visitors,
 2-13 and consumers in the district, and of the public;
 2-14 (2) provide needed funding for the district to
 2-15 preserve, maintain, and enhance the economic health and vitality of
 2-16 the district territory as a community;
 2-17 (3) promote the health, safety, welfare, and enjoyment
 2-18 of the public by providing pedestrian ways and by landscaping and
 2-19 developing certain areas in the district, which are necessary for
 2-20 the restoration, preservation, and enhancement of scenic beauty;
 2-21 and
 2-22 (4) provide for water, wastewater, drainage, road,
 2-23 sound barrier and security walls, recreational facilities, and city
 2-24 code enforcement for the district.
 2-25 (e) Pedestrian ways along or across a street, whether at
 2-26 grade or above or below the surface, and street lighting, street
 2-27 landscaping, parking, and street art objects are parts of and
 2-28 necessary components of a street and are considered to be a street
 2-29 or road improvement.
 2-30 (f) The district will not act as the agent or
 2-31 instrumentality of any private interest even though the district
 2-32 will benefit many private interests as well as the public.
 2-33 Sec. 3925.005. INITIAL DISTRICT TERRITORY. The district is
 2-34 initially composed of the territory described by Section 2 of the
 2-35 Act enacting this chapter.
 2-36 Sec. 3925.006. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-37 DISTRICTS LAW. Except as otherwise provided by this chapter,
 2-38 Chapter 375, Local Government Code, applies to the district.
 2-39 Sec. 3925.007. CONSTRUCTION OF CHAPTER. This chapter shall
 2-40 be liberally construed in conformity with the findings and purposes
 2-41 stated in this chapter.
 2-42 SUBCHAPTER B. BOARD OF DIRECTORS
 2-43 Sec. 3925.051. GOVERNING BODY; TERMS. (a) The district is
 2-44 governed by a board of nine voting directors.
 2-45 (b) Except as provided by Section 3925.052, the directors of
 2-46 the zone are the voting directors of the board and their terms as
 2-47 directors of the district are coterminous with their terms as
 2-48 directors of the zone.
 2-49 Sec. 3925.052. VOTING DIRECTORS IF ZONE DISSOLVED; TERMS.
 2-50 (a) If the zone is dissolved, the mayor and members of the
 2-51 governing body of the city shall appoint voting directors from
 2-52 persons recommended by the board. A person is appointed if a
 2-53 majority of the members of the governing body and the mayor vote to
 2-54 appoint that person.
 2-55 (b) Directors appointed under Subsection (a) serve
 2-56 staggered terms of four years, with four or five directors' terms
 2-57 expiring June 1 of each odd-numbered year. The initial directors
 2-58 appointed under Subsection (a) shall establish the staggered terms
 2-59 of each initial director by lot.
 2-60 Sec. 3925.053. NONVOTING DIRECTORS. The board may appoint
 2-61 nonvoting directors to serve at the pleasure of the voting
 2-62 directors.
 2-63 Sec. 3925.054. VACANCY IF ZONE DISSOLVED. If a vacancy
 2-64 occurs on the board after the zone is dissolved, the remaining
 2-65 directors shall appoint a director for the remainder of the
 2-66 unexpired term.
 2-67 Sec. 3925.055. QUORUM. For purposes of determining the
 2-68 requirements for a quorum of the board, the following are not
 2-69 counted:

- 3-1 (1) a board position vacant for any reason, including
- 3-2 death, resignation, or disqualification;
- 3-3 (2) a director who is abstaining from participation in
- 3-4 a vote because of a conflict of interest; or
- 3-5 (3) a nonvoting director.

SUBCHAPTER C. POWERS AND DUTIES

3-7 Sec. 3925.101. GENERAL POWERS AND DUTIES. The district has
 3-8 the powers and duties necessary to accomplish the purposes for
 3-9 which the district is created.

3-10 Sec. 3925.102. IMPROVEMENT PROJECTS AND SERVICES. The
 3-11 district may provide, design, construct, acquire, improve,
 3-12 relocate, operate, maintain, or finance an improvement project or
 3-13 service using any money available to the district, or contract with
 3-14 a governmental or private entity to provide, design, construct,
 3-15 acquire, improve, relocate, operate, maintain, or finance an
 3-16 improvement project or service authorized under this chapter or
 3-17 Chapter 375, Local Government Code.

3-18 Sec. 3925.103. DEVELOPMENT CORPORATION POWERS. The
 3-19 district, using money available to the district, may exercise the
 3-20 powers given to a development corporation under Chapter 505, Local
 3-21 Government Code, including the power to own, operate, acquire,
 3-22 construct, lease, improve, or maintain a project under that
 3-23 chapter.

3-24 Sec. 3925.104. AGREEMENTS; GRANTS. (a) As provided by
 3-25 Chapter 375, Local Government Code, the district may make an
 3-26 agreement with or accept a gift, grant, or loan from any person.

3-27 (b) The district may enter into an agreement with the city
 3-28 to administer and enforce a city zoning ordinance applicable to the
 3-29 district in the territory of the district.

3-30 (c) The implementation of a project is a governmental
 3-31 function or service for the purposes of Chapter 791, Government
 3-32 Code.

3-33 Sec. 3925.105. LAW ENFORCEMENT SERVICES. To protect the
 3-34 public interest, the district may contract with a qualified party,
 3-35 including the county or the city, to provide law enforcement or
 3-36 security services in the district.

3-37 Sec. 3925.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 3-38 district may join and pay dues to a charitable or nonprofit
 3-39 organization that performs a service or provides an activity
 3-40 consistent with the furtherance of a district purpose.

3-41 Sec. 3925.107. ECONOMIC DEVELOPMENT. (a) The district may
 3-42 engage in activities that accomplish the economic development
 3-43 purposes of the district.

3-44 (b) The district may establish and provide for the
 3-45 administration of one or more programs to promote state or local
 3-46 economic development and to stimulate business and commercial
 3-47 activity in the district, including programs to:

- 3-48 (1) make loans and grants of public money; and
- 3-49 (2) provide district personnel and services.

3-50 (c) The district may create economic development programs
 3-51 and exercise the economic development powers provided to
 3-52 municipalities by:

- 3-53 (1) Chapter 380, Local Government Code; and
- 3-54 (2) Subchapter A, Chapter 1509, Government Code.

3-55 Sec. 3925.108. APPROVAL BY CITY. (a) Except as provided by
 3-56 Subsection (c), the district must obtain the approval of the city
 3-57 for:

- 3-58 (1) the issuance of bonds that require the approval of
 3-59 the attorney general;
- 3-60 (2) the plans and specifications of an improvement
 3-61 project financed by bonds; and
- 3-62 (3) the plans and specifications of an improvement
 3-63 project related to the use of land owned by the city, an easement
 3-64 granted by the city, or a right-of-way of a street, road, or
 3-65 highway.

3-66 (b) The district may not issue bonds until the governing
 3-67 body of the city adopts a resolution or ordinance authorizing the
 3-68 issuance of the bonds.

3-69 (c) If the district obtains the approval of the governing

4-1 body of the city of a capital improvements budget for a period not
 4-2 to exceed 10 years, the district may finance the capital
 4-3 improvements and issue bonds specified in the budget without
 4-4 further approval from the city.

4-5 (d) The governing body of the city:

4-6 (1) is not required to adopt a resolution or ordinance
 4-7 to approve plans and specifications described by Subsection (a);
 4-8 and

4-9 (2) may establish an administrative process to approve
 4-10 plans and specifications described by Subsection (a) without the
 4-11 involvement of the governing body.

4-12 Sec. 3925.109. NO EMINENT DOMAIN POWER. The district may
 4-13 not exercise the power of eminent domain.

4-14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

4-15 Sec. 3925.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 4-16 board by resolution shall establish the number of directors'
 4-17 signatures and the procedure required for a disbursement or
 4-18 transfer of district money.

4-19 Sec. 3925.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
 4-20 The district may acquire, construct, finance, operate, or maintain
 4-21 any improvement or service authorized under this chapter or Chapter
 4-22 375, Local Government Code, using any money available to the
 4-23 district.

4-24 Sec. 3925.153. BUDGET; ASSESSMENTS. (a) The board shall
 4-25 approve an annual budget for the district based on anticipated
 4-26 assessment revenue.

4-27 (b) The board by resolution may impose and collect an
 4-28 assessment, for any purpose authorized by this chapter, using only
 4-29 the method described by this section.

4-30 (c) The board may impose an assessment in all or any part of
 4-31 the district at a rate of \$0.07 per square foot of taxable property,
 4-32 and may impose a supplemental annual assessment at a rate of \$300
 4-33 per lot.

4-34 (d) The board may make a correction to or deletion from the
 4-35 assessment roll that does not increase the amount of assessment of
 4-36 any parcel of land without providing notice and holding a hearing in
 4-37 the manner required for additional assessments.

4-38 (e) In a year in which the approved expenses in the annual
 4-39 budget exceed the district's annual revenue from all sources, the
 4-40 board may approve an increase to the rate of the supplemental annual
 4-41 assessment to accommodate the expenses if the percentage change in
 4-42 the amount of the supplemental annual assessment does not exceed:

4-43 (1) two percent for that year as compared to the
 4-44 previous year; or

4-45 (2) 10 percent over a five-year period.

4-46 (f) The district may not approve a supplemental assessment
 4-47 under Section 375.122(1), Local Government Code, to pay costs of an
 4-48 improvement project or service if the additional costs that are the
 4-49 subject of the supplemental assessment exceed 25 percent of the
 4-50 original total cost of the improvement project or service.

4-51 (g) A provision of this subchapter regarding an assessment
 4-52 prevails over a conflicting provision of Chapter 375, Local
 4-53 Government Code, as provided by Section 3925.006.

4-54 Sec. 3925.154. PETITION REQUIRED FOR FINANCING SERVICES AND
 4-55 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 4-56 service or improvement project with assessments under this chapter
 4-57 unless a written petition requesting that service or improvement
 4-58 for all or part of the district has been filed with the board.

4-59 (b) A petition filed under Subsection (a) must be signed by
 4-60 the owners of a majority of the assessed value of real property in
 4-61 the district subject to assessment according to the most recent
 4-62 certified tax appraisal roll for the county.

4-63 Sec. 3925.155. METHOD OF NOTICE FOR HEARING. The district
 4-64 may mail the notice required by Section 375.115(c), Local
 4-65 Government Code, by certified or first class United States mail.
 4-66 The board shall determine the method of notice.

4-67 Sec. 3925.156. LIENS FOR ASSESSMENTS. (a) An assessment, a
 4-68 reassessment, or an assessment resulting from an addition to or
 4-69 correction of the assessment roll by the district, penalties and

5-1 interest on an assessment or reassessment, an expense of
 5-2 collection, and reasonable attorney's fees incurred by the
 5-3 district:

5-4 (1) are a first and prior lien against the property
 5-5 assessed;

5-6 (2) are superior to any other lien or claim other than
 5-7 a lien or claim for county, school district, or municipal ad valorem
 5-8 taxes; and

5-9 (3) are the personal liability of and a charge against
 5-10 the owners of the property even if the owners are not named in the
 5-11 assessment proceedings.

5-12 (b) The lien is effective from the date of the board's
 5-13 resolution imposing the assessment until the date the assessment is
 5-14 paid.

5-15 Sec. 3925.157. RESIDENTIAL PROPERTY NOT EXEMPT. Section
 5-16 375.161, Local Government Code, does not apply to the district.

5-17 Sec. 3925.158. ASSESSMENT ABATEMENT. The district may
 5-18 designate reinvestment zones and may grant abatements of
 5-19 assessments on property in the zones.

5-20 Sec. 3925.159. NO IMPACT FEES. The district may not impose
 5-21 an impact fee.

5-22 Sec. 3925.160. NO AD VALOREM TAX. The district may not
 5-23 impose an ad valorem tax.

5-24 SUBCHAPTER E. BONDS

5-25 Sec. 3925.201. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
 5-26 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
 5-27 determined by the board.

5-28 (b) The district may issue bonds, notes, or other
 5-29 obligations payable wholly or partly from assessments, revenue,
 5-30 contract payments, grants, or other district money, or any
 5-31 combination of those sources of money, to pay for any authorized
 5-32 district purpose.

5-33 Sec. 3925.202. CITY NOT REQUIRED TO PAY DISTRICT
 5-34 OBLIGATIONS. Except as provided by Section 375.263, Local
 5-35 Government Code, the city is not required to pay a bond, note, or
 5-36 other obligation of the district.

5-37 SUBCHAPTER F. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION

5-38 Sec. 3925.251. PUBLIC IMPROVEMENT DISTRICT DISSOLUTION.
 5-39 (a) The city shall dissolve a public improvement district created
 5-40 by the city under Chapter 372, Local Government Code, that is in the
 5-41 boundaries of the district if the board imposes an assessment.

5-42 (b) A public improvement district that is dissolved under
 5-43 this section shall remain in effect for the purposes of meeting
 5-44 obligations of indebtedness and collecting delinquent assessments.

5-45 SUBCHAPTER G. CONSOLIDATION

5-46 Sec. 3925.301. The district may not be consolidated with
 5-47 another district that has the powers of a district created under
 5-48 Chapter 375, Local Government Code.

5-49 SUBCHAPTER H. DISSOLUTION

5-50 Sec. 3925.351. DISSOLUTION BY PETITION BY OWNERS. (a)
 5-51 Section 375.262, Local Government Code, does not apply to the
 5-52 district.

5-53 (b) Except as limited by Section 375.264, Local Government
 5-54 Code, the board shall dissolve the district on written petition
 5-55 filed with the board by the owners of:

5-56 (1) 50 percent or more of the assessed value of the
 5-57 property in the district based on the most recent certified county
 5-58 property tax rolls; or

5-59 (2) 50 percent or more of the surface area of the
 5-60 district, excluding roads, streets, highways, utility
 5-61 rights-of-way, other public areas, and other property exempt from
 5-62 assessment under Sections 375.163 and 375.164, Local Government
 5-63 Code, according to the most recent certified county property tax
 5-64 rolls.

5-65 SECTION 2. The Saint George Place Management District
 5-66 initially includes all territory contained in the Tax Increment
 5-67 Reinvestment Zone No. One, City of Houston, Texas, designated by
 5-68 the City of Houston in Ordinance No. 90-1452, dated December 12,
 5-69 1990, as that zone is configured on the effective date of this Act.

6-1 SECTION 3. (a) The legal notice of the intention to
6-2 introduce this Act, setting forth the general substance of this
6-3 Act, has been published as provided by law, and the notice and a
6-4 copy of this Act have been furnished to all persons, agencies,
6-5 officials, or entities to which they are required to be furnished
6-6 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-7 Government Code.

6-8 (b) The governor, one of the required recipients, has
6-9 submitted the notice and Act to the Texas Commission on
6-10 Environmental Quality.

6-11 (c) The Texas Commission on Environmental Quality has filed
6-12 its recommendations relating to this Act with the governor,
6-13 lieutenant governor, and speaker of the house of representatives
6-14 within the required time.

6-15 (d) The general law relating to consent by political
6-16 subdivisions to the creation of districts with conservation,
6-17 reclamation, and road powers and the inclusion of land in those
6-18 districts has been complied with.

6-19 (e) All requirements of the constitution and laws of this
6-20 state and the rules and procedures of the legislature with respect
6-21 to the notice, introduction, and passage of this Act have been
6-22 fulfilled and accomplished.

6-23 SECTION 4. This Act takes effect immediately if it receives
6-24 a vote of two-thirds of all the members elected to each house, as
6-25 provided by Section 39, Article III, Texas Constitution. If this
6-26 Act does not receive the vote necessary for immediate effect, this
6-27 Act takes effect September 1, 2015.

6-28 * * * * *