

BILL ANALYSIS

C.S.H.B. 2744
By: Hernandez
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that an area within Harris County would benefit from the creation of an improvement district to address infrastructure issues. C.S.H.B. 2744 seeks to provide for the creation of the Channelview Improvement District in this area.

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. 2744 amends the Special District Local Laws Code to create the Channelview Improvement District, subject to voter approval at a confirmation election, to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the annexation or exclusion of territory, acquisition of property, special or supplemental services, and dissolution of the district. The bill sets out the district's powers and duties, which include, subject to certain requirements, the authority to issue bonds, establish and collect fees and charges, impose sales and use and excise taxes, and borrow money. The bill prohibits the district from exercising the power of eminent domain, imposing a property tax, and employing peace officers.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2744 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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3943 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3943 to read as follows:

CHAPTER 3943. CHANNELVIEW
IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 3943.001. DEFINITIONS.

Sec. 3943.002. CREATION AND
NATURE OF DISTRICT. The
Channelview Improvement District is a
special district created under Section 59,
Article XVI, Texas Constitution.

Sec. 3943.003. PURPOSE;
DECLARATION OF INTENT.

Sec. 3943.004. FINDINGS OF BENEFIT
AND PUBLIC PURPOSE.

Sec. 3943.005. INITIAL DISTRICT
TERRITORY.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 3943.051. GOVERNING BODY;
TERMS.

Sec. 3943.052. ELECTION OF
DIRECTORS.

Sec. 3943.053. LAW GOVERNING
ADMINISTRATION OF BOARD.

Sec. 3943.054. VOTING BY BOARD
PRESIDENT RESTRICTED.

Sec. 3943.055. INITIAL DIRECTORS.

SUBCHAPTER C. POWERS AND
DUTIES

Sec. 3943.101. GENERAL POWERS.

Sec. 3943.102. IMPROVEMENT
PROJECTS.

CHAPTER 3943. CHANNELVIEW
IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 3943.001. DEFINITIONS.

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NATURE OF DISTRICT. The district is a
special district created under Section 59,
Article XVI, Texas Constitution.

Sec. 3943.003. PURPOSE;
DECLARATION OF INTENT.

Sec. 3943.004. FINDINGS OF BENEFIT
AND PUBLIC PURPOSE.

Sec. 3943.005. INITIAL DISTRICT
TERRITORY.

Sec. 3943.006. CONFIRMATION AND
DIRECTORS' ELECTION REQUIRED.
The initial directors shall hold an election to
confirm the creation of the district and to
elect five permanent directors as provided
by Section 49.102, Water Code.

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Sec. 3943.052. ELECTION OF
DIRECTORS.

Sec. 3943.053. LAW GOVERNING
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Sec. 3943.054. VOTING BY BOARD
PRESIDENT RESTRICTED.

Sec. 3943.055. INITIAL DIRECTORS.

SUBCHAPTER C. POWERS AND
DUTIES

Sec. 3943.101. GENERAL POWERS.

Sec. 3943.102. IMPROVEMENT
PROJECTS.

Sec. 3943.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation organized under Subtitle C1, Title 12, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3943.104. RULES.

Sec. 3943.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS.

Sec. 3943.106. CONTRACTS; GRANTS; DONATIONS.

Sec. 3943.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a) The district may add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code.

(b) Not later than the 10th day after the date on which the district annexes or excludes territory, the board shall send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion.

Sec. 3943.108. NO PEACE OFFICERS.

Sec. 3943.109. NO EMINENT DOMAIN.

SUBCHAPTER D. IMPROVEMENT PROJECTS

Sec. 3943.151. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3943.152. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE.

Sec. 3943.153. UTILITY FACILITIES; STORM WATER. (a) An improvement project may include solid waste, water, wastewater, and power facilities or services, including electrical, gas, steam, or chilled water facilities or services.

(b) An improvement project may include detention, protection, and improvement of the flow and quality of storm water in the

Sec. 3943.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3943.104. RULES.

Sec. 3943.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS.

Sec. 3943.106. CONTRACTS; GRANTS; DONATIONS.

Sec. 3943.107. ANNEXATION OR EXCLUSION OF TERRITORY. The district may add or exclude territory in the manner provided by Chapter 375, Local Government Code.

Sec. 3943.108. NO PEACE OFFICERS.

Sec. 3943.109. NO EMINENT DOMAIN.

SUBCHAPTER D. IMPROVEMENT PROJECTS

Sec. 3943.151. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3943.152. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE.

district.

Sec. 3943.154. PARKING AND TRANSPORTATION.

Sec. 3943.155. DEMOLITION.

Sec. 3943.156. ACQUISITION OF PROPERTY.

Sec. 3943.157. SPECIAL OR SUPPLEMENTAL SERVICES.

Sec. 3943.158. SIMILAR IMPROVEMENT PROJECTS.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3943.201. NO AD VALOREM TAX.

Sec. 3943.202. FEES; CHARGES.

Sec. 3943.203. BORROWING MONEY.

Sec. 3943.204. PAYMENT OF EXPENSES.

Sec. 3943.205. BONDS.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3943.251. SALES AND USE TAX; EXCISE TAX.

Sec. 3943.252. TAX ELECTION PROCEDURES.

Sec. 3943.253. BALLOT WORDING.

Sec. 3943.254. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent not inconsistent with this chapter, governs the application, collection, and administration of the sales and use tax and the excise tax, except that Sections 323.401-323.406 and 323.505, Tax Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax Code, govern the administration and enforcement of the sales and use tax and the excise tax.

(b) Chapter 323, Tax Code, does not apply

Sec. 3943.153. PARKING AND TRANSPORTATION.

Sec. 3943.154. DEMOLITION.

Sec. 3943.155. ACQUISITION OF PROPERTY.

Sec. 3943.156. SPECIAL OR SUPPLEMENTAL SERVICES.

Sec. 3943.157. SIMILAR IMPROVEMENT PROJECTS.

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Sec. 3943.201. NO AD VALOREM TAX.

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Sec. 3943.203. BORROWING MONEY.

Sec. 3943.204. PAYMENT OF EXPENSES.

Sec. 3943.205. BONDS.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3943.251. SALES AND USE TAX; EXCISE TAX.

Sec. 3943.252. TAX ELECTION PROCEDURES.

Sec. 3943.253. BALLOT WORDING.

Sec. 3943.254. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

to the use and allocation of revenues under this chapter.

(c) In applying Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference in that chapter to "the commissioners court" means the board.

Sec. 3943.255. TAX RATES.

Sec. 3943.256. ABOLITION OF TAX.

Sec. 3943.257. USE OF TAXES.

Sec. 3943.258. EFFECTIVE DATE OF TAX OR TAX CHANGE.

SUBCHAPTER G. DISSOLUTION

Sec. 3943.301. DISSOLUTION BY BOARD ORDER.

Sec. 3943.302. DISSOLUTION BY PETITION OF OWNERS. (a) The board by order shall dissolve the district if the board receives a written petition signed by 75 percent or more of the individuals who own real property in the district.

(b) After the date the district is dissolved, the district may not impose taxes.

(c) If on the date the district is dissolved the district has outstanding liabilities, the board shall, not later than the 30th day after the date of dissolution, adopt a resolution certifying each outstanding liability. The county shall assume the outstanding liabilities and shall collect the sales and use tax for the district for the remainder of the calendar year. The county may continue to collect the tax for an additional calendar year if the commissioners court of the county finds that the tax revenue is needed to retire the district liabilities that were assumed by the county.

(d) The district may continue to operate for a period not to exceed two months after performing its duties under Subsection (c). The district is continued in effect for the purpose of performing those duties.

(e) If the district is continued in effect under Subsection (d), the district is dissolved entirely on the first day of the month following the month in which the board certifies to the secretary of state that the district has fully performed its duties

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SUBCHAPTER G. DISSOLUTION

Sec. 3943.301. DISSOLUTION BY BOARD ORDER.

Sec. 3943.302. DISSOLUTION BY PETITION OF OWNERS. (a) The board by order shall dissolve the district if a majority of the voters of the district voting at an election called for that purpose vote to dissolve the district.

(b) After the date the district is dissolved, the district may not impose taxes.

(c) If on the date the district is dissolved the district has outstanding liabilities, the board shall, not later than the 30th day after the date of dissolution, adopt a resolution certifying each outstanding liability. The county shall assume the outstanding liabilities and shall collect the sales and use tax for the district for the remainder of the calendar year. The county may continue to collect the tax for an additional calendar year if the commissioners court of the county finds that the tax revenue is needed to retire the district liabilities that were assumed by the county.

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(e) If the district is continued in effect under Subsection (d), the district is dissolved entirely on the first day of the month following the month in which the board certifies to the secretary of state that the district has fully performed its duties

under Subsection (c).

Sec. 3943.303. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION.

SECTION 2. Sets out the metes and bounds of the district.

SECTION 3. (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 4. 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, 2017.

under Subsection (c).

Sec. 3943.303. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.