

BILL ANALYSIS

Senate Research Center
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H.B. 3173
By: Bell (Creighton)
Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Harris County Improvement District No.17 (district), is a management district created pursuant to Chapter 375, Texas Local Government Code. The district was created in 2009, in the 81st regular session, to facilitate the development of acreage outside of the City of Tomball, into commercial developments. Ninety percent of the district was raw land at the time of creation. The businesses operating in the district at the time of creation were primarily oil field service related businesses. When created, plans did contemplate that the district would also grow through annexation, and add territory that would be developed into single family housing developments. Several such annexations have since then been approved, with development ongoing.

H.B. 3173 enables the district to establish defined areas within the district, and set tax rates commensurate with the infrastructure burdens applicable to the defined areas.

H.B. 3173 creates the East Lake Houston Management District (District). The District, comprised of two separate non-contiguous parcels of raw land, is 435 acres in size. The District would facilitate the development of the land within its boundaries by providing for reimbursement to the developer(s) for development costs associated with both underground utilities, roads, drainage, detention, parks, recreations amenities, and improvements along the public rights of ways. There is no utility service at this point in time that would enable the development of the raw land. It is contemplated that all of the land in the initial development will consist of single family housing residential developments. Future annexations into the District will likely also include some elements of supporting commercial development.

The District would utilize powers authorized by Chapters 49 (Water districts) and 54 (MUDs), Texas Water Code, to finance wet utilities, roads, drainage, and park improvements; and Chapter 375 (MMDs), Texas Local Government Code to provide for maintenance of the surface infrastructure, recreation facilities, other public amenities, safety and security, directly or through contracts with other governmental entities. The District would have the power to adopt a tax or levy an assessment to finance development costs, directly or through the sale of bonds, and to finance District services.

The land within the district is co-owned by a single developer in partnership with two separate incorporated entities/owners. There is no known opposition to creation of this district. The District will not have the power of eminent domain.

H.B. 3173 amends current law relating to the creation of the East Lake Houston Management District, provides authority to issue bonds, and provides authority to impose assessments, fees, or taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3936, as follows:

CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT

Sets forth standard language for the creation of the East Lake Houston Management District (district) in the City of Houston (city). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of, public purpose, and eligibility for inclusion in special zones of the district (Sections 3936.001-3936.050);

Size, composition, appointment, and compensation and reimbursement of expenses for the board of directors, including composition of the initial directors (Sections 3936.051-3936.100);

Powers and duties of the district (Sections 3936.101-3936.150);

General financial provision and authority to impose a tax and issue bonds (Sections 3936.151-3936.250); and

Dissolution of the district by the city (Sections 3936.251-3936.253).

Prohibits the district from exercising the power of eminent domain.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the 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. Effective date: upon passage or September 1, 2017.