

By: Hernandez

H.B. No. 2744

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Channelview Improvement District;  
providing authority to issue bonds; providing authority to impose  
fees and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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. In this chapter:

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

(2) "County" means Harris County.

(3) "District" means the Channelview Improvement  
District.

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

Sec. 3943.003. PURPOSE; DECLARATION OF INTENT. (a) The  
creation of the district is essential to accomplish the purposes of  
Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
Texas Constitution, and other public purposes stated in this  
chapter. By creating the district and in authorizing political  
subdivisions to contract with the district, the legislature has

1 established a program to accomplish the public purposes set out in  
2 Section 52-a, Article III, Texas Constitution.

3 (b) The creation of the district is necessary to promote,  
4 develop, encourage, and maintain employment, commerce,  
5 transportation, housing, tourism, recreation, the arts,  
6 entertainment, economic development, safety, scenic beauty, and  
7 the public welfare in the district.

8 (c) This chapter and the creation of the district may not be  
9 interpreted to relieve the county from providing the level of  
10 services provided as of the effective date of the Act enacting this  
11 chapter to the area in the district. The district is created to  
12 supplement and not to supplant county services provided in the  
13 district.

14 Sec. 3943.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
15 The district is created to serve a public use and benefit.

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

21 (c) The creation of the district is in the public interest  
22 and is essential to:

23 (1) further the public purposes of developing and  
24 diversifying the economy of the state;

25 (2) eliminate unemployment and underemployment; and

26 (3) develop or expand transportation and commerce.

27 (d) The district shall:

1           (1) promote the health, safety, and general welfare of  
2 residents, merchants, landowners, employers, potential employees,  
3 employees, visitors, and consumers in the district, and of the  
4 public;

5           (2) provide needed funding for the district to  
6 preserve, maintain, and enhance the economic health and vitality of  
7 the district territory as a community and business center;

8           (3) provide and maintain common areas and facilities  
9 in the district to ensure scenic beauty;

10           (4) provide improvements in the district to promote  
11 the welfare of the public in the district; and

12           (5) 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           (e) The district may not act as the agent or instrumentality  
17 of any private interest even though the district will benefit many  
18 private interests as well as the public.

19           Sec. 3943.005. INITIAL DISTRICT TERRITORY. (a) The  
20 district is composed of the territory described by Section 2 of the  
21 Act enacting this chapter.

22           (b) The boundaries and field notes of the district contained  
23 in Section 2 of the Act enacting this chapter form a closure. A  
24 mistake in the field notes or in copying the field notes in the  
25 legislative process does not in any way affect the district's:

26           (1) organization, existence, or validity;

27           (2) right to contract;

1           (3) authority to issue any type of bond for a purpose  
2 for which the district is created or to pay the principal of and  
3 interest on the bond;

4           (4) right to impose or collect a fee or tax or collect  
5 other revenue; or

6           (5) legality or operation.

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

11                   SUBCHAPTER B. BOARD OF DIRECTORS

12           Sec. 3943.051. GOVERNING BODY; TERMS. (a) The district is  
13 governed by a board of five directors who occupy numbered  
14 positions. The directors who occupy positions one, two, and three  
15 are appointed under this section, and the directors who occupy  
16 positions four and five are elected as provided by this section and  
17 Section 3943.052.

18           (b) The commissioners court of the county shall appoint:

19                   (1) one person who leases a retail store or who owns  
20 real property in the district to serve in position one for a  
21 three-year term;

22                   (2) one person who leases a retail store but does not  
23 own real property in the district to serve in position two for a  
24 two-year term; and

25                   (3) one person who owns real property in the district  
26 to serve in position three for a three-year term.

27           (c) A director elected under Section 3943.052 serves a

1 two-year term. To qualify as a candidate for position four, a  
2 person must reside in the district. To qualify as a candidate for  
3 position five, a person must lease a retail store or own real  
4 property in the district.

5 (d) In appointing directors under Subsection (b), the  
6 commissioners court shall consider any recommendation received by  
7 an organization dedicated to the economic development of the  
8 district.

9 (e) A term expires on December 31 of the appropriate year.

10 Sec. 3943.052. ELECTION OF DIRECTORS. (a) The board shall  
11 hold an election of directors for positions four and five in each  
12 odd-numbered year on the uniform election date in November  
13 established by Section 41.001, Election Code.

14 (b) In addition to the contents required by the Election  
15 Code, notice of a directors' election must:

16 (1) state the number of directors to be voted on; and

17 (2) describe the qualifications for each position for  
18 which a candidate is running.

19 (c) In addition to requirements prescribed by the Election  
20 Code, the ballots for a directors' election shall describe the  
21 qualifications of the position for which each candidate is running.

22 (d) The board shall certify that the person receiving the  
23 highest number of votes for each position is elected as the director  
24 for that position.

25 Sec. 3943.053. LAW GOVERNING ADMINISTRATION OF BOARD.

26 Sections 375.066-375.070, Local Government Code, apply to the board  
27 as if it were established under Chapter 375 of that code.

1       Sec. 3943.054. VOTING BY BOARD PRESIDENT RESTRICTED. The  
2 board president may not vote except to break a tie vote.

3       Sec. 3943.055. INITIAL DIRECTORS. (a) The initial  
4 directors elected under Section 3943.052 shall be elected at an  
5 election to be held on November 7, 2017.

6       (b) The initial directors appointed under Section 3943.051  
7 shall be appointed for terms to start on January 1, 2018.

8       (c) This section expires September 1, 2022.

9                   SUBCHAPTER C. POWERS AND DUTIES

10       Sec. 3943.101. GENERAL POWERS. The district has all of the  
11 powers and duties necessary to accomplish the purposes for which  
12 the district was created, including the powers and duties provided  
13 by:

14                   (1) Subchapter E, Chapter 375, Local Government Code;

15 and

16                   (2) the general laws of this state on conservation and  
17 reclamation districts created under Section 59, Article XVI, Texas  
18 Constitution, including Chapter 49, Water Code.

19       Sec. 3943.102. IMPROVEMENT PROJECTS. The district may  
20 provide, or it may enter into contracts with a governmental or  
21 private entity to provide, and pay all or part of the costs of the  
22 improvement projects described by Subchapter D or activities in  
23 support of or incidental to those projects.

24       Sec. 3943.103. DEVELOPMENT CORPORATION POWERS. The  
25 district, using money available to the district, may exercise the  
26 powers given to a development corporation under Chapter 505, Local  
27 Government Code, including the power to own, operate, acquire,

1 construct, lease, improve, or maintain a project under that  
2 chapter.

3 Sec. 3943.104. RULES. The district may adopt rules:

4 (1) to administer and operate the district;

5 (2) for the use, enjoyment, availability, protection,  
6 security, and maintenance of the district's facilities; and

7 (3) for the provision of public safety and security in  
8 the district.

9 Sec. 3943.105. LEASE, ACQUISITION, OR CONSTRUCTION OF  
10 BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS. The district  
11 may, as if the district were a home-rule municipality with a  
12 population of more than 100,000:

13 (1) issue bonds and lease, acquire, or construct a  
14 building or facility as provided by Subchapter A, Chapter 1509,  
15 Government Code; and

16 (2) establish and administer a program as provided by  
17 Section 380.002, Local Government Code.

18 Sec. 3943.106. CONTRACTS; GRANTS; DONATIONS. (a) The  
19 district may contract with any person to accomplish the purposes of  
20 this chapter on terms and for the period the board determines,  
21 including contracting for the payment of costs incurred by the  
22 person on behalf of the district, including all or part of the costs  
23 of an improvement project, from tax proceeds or any other specified  
24 source of money.

25 (b) The district may contract with a person to receive,  
26 administer, and perform the district's duties under a gift, grant,  
27 loan, conveyance, transfer, bequest, donation, or other financial

1 arrangement relating to the investigation, planning, analysis,  
2 acquisition, construction, completion, implementation, or  
3 operation of a proposed or existing improvement project.

4 (c) Any person, including any type of governmental entity,  
5 may contract with the district to carry out the purposes of this  
6 chapter.

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

10 Sec. 3943.108. NO PEACE OFFICERS. The district may not  
11 employ peace officers.

12 Sec. 3943.109. NO EMINENT DOMAIN. The district may not  
13 exercise the power of eminent domain.

14 SUBCHAPTER D. IMPROVEMENT PROJECTS

15 Sec. 3943.151. IMPROVEMENT PROJECTS AND SERVICES. The  
16 district may provide, design, construct, acquire, improve, lease,  
17 relocate, repair, operate, maintain, or finance an improvement  
18 project or service using money available to the district, or  
19 contract with a governmental or private entity to provide, design,  
20 construct, acquire, improve, lease, relocate, repair, operate,  
21 maintain, or finance an improvement project or service authorized  
22 under this chapter.

23 Sec. 3943.152. MISCELLANEOUS DESIGN, CONSTRUCTION, AND  
24 MAINTENANCE. An improvement project may include the planning,  
25 design, construction, improvement, and maintenance of:

26 (1) landscaping;

27 (2) highway right-of-way or transit corridor



1 beautification and improvement;

2 (3) lighting, banners, and signs;

3 (4) a street or sidewalk;

4 (5) a hiking and cycling path or trail;

5 (6) a pedestrian walkway, skywalk, crosswalk, or  
6 tunnel;

7 (7) a park, lake, garden, recreational facility, open  
8 space, scenic area, or related exhibit or preserve;

9 (8) a fountain, plaza, or pedestrian mall; or

10 (9) public art or sculpture and related exhibits and  
11 facilities and educational or cultural exhibits and facilities,  
12 including exhibits, displays, attractions, or facilities for  
13 special events, holidays, or seasonal or cultural celebrations.

14 Sec. 3943.153. PARKING AND TRANSPORTATION. An improvement  
15 project may include the planning, design, construction,  
16 improvement, maintenance, and operation of an off-street parking  
17 facility, heliport, bus terminal, mass transit, and roadway or  
18 water transportation system.

19 Sec. 3943.154. DEMOLITION. An improvement project may  
20 include the removal, razing, demolition, or clearing of land or  
21 improvements in connection with an improvement project.

22 Sec. 3943.155. ACQUISITION OF PROPERTY. An improvement  
23 project may include the acquisition of property or an interest in  
24 property in connection with an improvement project.

25 Sec. 3943.156. SPECIAL OR SUPPLEMENTAL SERVICES. An  
26 improvement project may include a special or supplemental service  
27 for the improvement and promotion of the district or for the

- 1 protection of public health and safety in the district, including:  
2 (1) tourism;  
3 (2) elimination of traffic congestion;  
4 (3) health, sanitation, public safety, security, fire  
5 protection, or emergency medical services;  
6 (4) recreational, educational, or cultural  
7 improvements, enhancements, and services; and  
8 (5) advertising, promotion, and business recruitment.

9 Sec. 3943.157. SIMILAR IMPROVEMENT PROJECTS. An  
10 improvement project may include a public improvement, facility, or  
11 service similar to a project described by this subchapter.

12 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

13 Sec. 3943.201. NO AD VALOREM TAX. The district may not  
14 impose an ad valorem tax.

15 Sec. 3943.202. FEES; CHARGES. The district may:

- 16 (1) establish and collect user fees, concession fees,  
17 admission fees, rental fees, or other similar fees or charges; and  
18 (2) apply the proceeds from those fees or charges for  
19 the enjoyment, sale, rental, or other use of the district's  
20 facilities, services, or improvement projects.

21 Sec. 3943.203. BORROWING MONEY. The district may borrow  
22 money for a district purpose.

23 Sec. 3943.204. PAYMENT OF EXPENSES. The district may  
24 provide or secure the payment or repayment of any district expense,  
25 including:

- 26 (1) a district cost relating to an improvement  
27 project;

1           (2) a district contractual obligation or  
2 indebtedness, because of a lease, installment purchase contract, or  
3 other agreement; or

4           (3) a tax, user fee, concession fee, rental fee, or  
5 other revenue or resources of the district.

6           Sec. 3943.205. BONDS. (a) The board may issue bonds as  
7 provided by Subchapter J, Chapter 375, Local Government Code.

8           (b) In addition to the sources described in Subchapter J,  
9 Chapter 375, Local Government Code, bonds issued by the district  
10 may be secured and made payable, in whole or in part, by a pledge of  
11 any part of the net proceeds the district receives from a specified  
12 portion of not more than one-half of the district's maximum sales  
13 and use tax amount authorized under Section 3943.252.

14           (c) Sections 375.207 and 375.208, Local Government Code, do  
15 not apply to bonds issued under this section.

16                           SUBCHAPTER F. SALES AND USE TAX

17           Sec. 3943.251. SALES AND USE TAX; EXCISE TAX. (a) For  
18 purposes of this section:

19           (1) "Taxable items" includes all items subject to a  
20 sales and use tax that is imposed by the county.

21           (2) "Use," with respect to a taxable service, means  
22 the derivation in the district of a direct or indirect benefit from  
23 the service.

24           (b) The district may impose a sales and use tax if  
25 authorized by a majority vote at an election held for that purpose.

26           (c) If the district adopts a sales and use tax:

27           (1) the tax is imposed on the receipts from the sale at

1 retail of taxable items in the district; and

2 (2) an excise tax is imposed on the use, storage, or  
3 other consumption in the district of taxable items purchased or  
4 rented from a retailer during the period in which the sales and use  
5 tax is effective in the district.

6 (d) The rate of the excise tax is the same as the rate of the  
7 sales tax portion of the tax applied to the sales price of the  
8 taxable items and is included in the sales tax.

9 Sec. 3943.252. TAX ELECTION PROCEDURES. (a) The board may  
10 order an election to adopt, change the rate of, or abolish a sales  
11 and use tax. The election may be held at the same time and in  
12 conjunction with a directors' election.

13 (b) The election must be held on the next uniform election  
14 date that falls on or after the 45th day after the date the election  
15 order is adopted.

16 (c) Notice of the election shall be given and the election  
17 shall be held in the manner prescribed for a bond election by  
18 Subchapter D, Chapter 49, Water Code.

19 Sec. 3943.253. BALLOT WORDING. (a) In an election to adopt  
20 a sales and use tax, the ballot shall be prepared to permit voting  
21 for or against the proposition: "The adoption of a local sales and  
22 use tax in the Channelview Improvement District at the rate of  
23 (proposed tax rate)."

24 (b) In an election to change the rate of the sales and use  
25 tax, the ballot shall be prepared to permit voting for or against  
26 the proposition: "The (increase or decrease, as applicable) in the  
27 rate of the local sales and use tax imposed in the Channelview

1 Improvement District from (tax rate on election date) percent to  
2 (proposed tax rate) percent."

3 (c) In an election to abolish the sales and use tax, the  
4 ballot shall be prepared to permit voting for or against the  
5 proposition: "The abolition of the local sales and use tax in the  
6 Channelview Improvement District."

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

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

15 Sec. 3943.255. TAX RATES. The district may impose the sales  
16 and use tax and the excise tax in increments of one-eighth of one  
17 percent, with a minimum tax of one-half percent and a maximum tax of  
18 one percent.

19 Sec. 3943.256. ABOLITION OF TAX. The board by order and  
20 without an election may abolish the sales and use tax and the excise  
21 tax.

22 Sec. 3943.257. USE OF TAXES. The district may use the  
23 proceeds from the sales and use tax and the excise tax only for the  
24 purposes for which the district was created.

25 Sec. 3943.258. EFFECTIVE DATE OF TAX OR TAX CHANGE. The  
26 adoption of a tax rate or a change in the tax rate takes effect after  
27 the expiration of the first complete calendar quarter occurring

1 after the date on which the comptroller receives a notice of the  
2 results of the election.

3 SUBCHAPTER G. DISSOLUTION

4 Sec. 3943.301. DISSOLUTION BY BOARD ORDER. The board by  
5 order may dissolve the district at any time unless the district has  
6 outstanding indebtedness or contractual obligations.

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

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

13 (c) If on the date the district is dissolved the district  
14 has outstanding liabilities, the board shall, not later than the  
15 30th day after the date of dissolution, adopt a resolution  
16 certifying each outstanding liability. The county shall assume the  
17 outstanding liabilities and shall collect the sales and use tax for  
18 the district for the remainder of the calendar year. The county may  
19 continue to collect the tax for an additional calendar year if the  
20 commissioners court of the county finds that the tax revenue is  
21 needed to retire the district liabilities that were assumed by the  
22 county.

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

27 (e) If the district is continued in effect under Subsection

1 (d), the district is dissolved entirely on the first day of the  
2 month following the month in which the board certifies to the  
3 secretary of state that the district has fully performed its duties  
4 under Subsection (c).

5 Sec. 3943.303. ADMINISTRATION OF DISTRICT PROPERTY  
6 FOLLOWING DISSOLUTION. (a) After the date the board orders the  
7 dissolution of the district, the board shall transfer ownership of  
8 all district property to the county, except as provided by  
9 Subsection (b).

10 (b) If, on the date on which the board orders the  
11 dissolution, more than 50 percent of the district territory is in a  
12 municipality, the board shall transfer ownership of the district's  
13 property to the municipality.

14 SECTION 2. The Channelview Improvement District initially  
15 includes all the territory contained in the following area:

16 BEGINNING at the centerline intersection of the East Sam  
17 Houston Parkway ("Beltway 8") with the centerline of Wallisville  
18 Road, approximately 2 1/2 miles north of Interstate 10 ("East  
19 Freeway"), along said "Beltway 8";

20 THENCE, in a Northeasterly direction, along the centerline of  
21 said Wallisville Road, to the intersection of said Wallisville Road  
22 with the west bank of the San Jacinto River;

23 THENCE, in a Southerly direction, along the westerly bank of  
24 the said San Jacinto River; inclusive of the body of water known as  
25 Bear Lake, to the intersection of the U.P.S. Railroad and the  
26 southerly bank of a body of water known as Whites Lake;

27 THENCE, in an Easterly direction, along the southerly bank of

1 said Whites Lake, to the intersection of said Whites Lake, also  
2 being the northerly Right-of-Way line of said Interstate 10 with  
3 the westerly bank of the said San Jacinto River;

4       THENCE, in a Southwesterly direction, along the westerly bank  
5 of the said San Jacinto River, crossing the northerly outlet of Old  
6 River to the intersection of the northerly City of Houston, City  
7 Limit Line;

8       THENCE, in a Southwesterly direction, with a curve to the  
9 left, along said northerly City Limit Line crossing the southerly  
10 outlet of Old River to the southerly bank of said Old River;

11       THENCE, in an Easterly direction with the southerly bank of  
12 said Old River and with the said northerly City Limit Line to the  
13 west bank of the Houston Ship Channel;

14       THENCE, in a Southwesterly direction with the northwesterly  
15 bank of said Houston Ship Channel and with the northwesterly City  
16 Limit Line to an angle point in said City Limit Line northeasterly  
17 of the outlet of Carpenters Bayou/Barge Channel;

18       THENCE, in a Northwesterly direction leaving said Houston  
19 Ship Channel with the northeasterly City Limit Line to an angle  
20 point of said City Limit Line;

21       THENCE, in a Southwesterly direction with the northwesterly  
22 City Limit Line, being a line parallel to and located approximately  
23 2,500 feet from the centerline of the said Houston Ship Channel,  
24 crossing said Carpenters Bayou/Barge Channel to an angle point in  
25 said City Limit Line;

26       THENCE, in a Southeasterly direction with the southwesterly  
27 City Limit Line to the westerly bank of the said Houston Ship



1 Channel;

2           THENCE, in a Southwesterly direction with the northwesterly  
3 bank of said Houston Ship Channel with the northwesterly City Limit  
4 Line to an angle point of said City Limit Line located near the  
5 outlet of the Jacinto Port Slip;

6           THENCE, in a Northwesterly direction leaving said Houston  
7 Ship Channel with the northeasterly City Limit Line to an angle  
8 point of said City Limit Line;

9           THENCE, in a Southwesterly direction with northwesterly City  
10 Limit Line, being a line parallel to and located approximately  
11 2,500 feet from the centerline of said Houston Ship Channel,  
12 crossing said Jacinto Port Slip to an angle point in said City Limit  
13 Line;

14           THENCE, in a Southeasterly direction with southwesterly City  
15 Limit Line to the westerly bank of the said Houston Ship Channel;

16           THENCE, in a Southeasterly direction with the northerly City  
17 Limit Line and generally with the Northerly bank of said Houston  
18 Ship Channel, crossing said "Beltway 8" to the intersection of the  
19 northerly bank of the said Houston Ship Channel with the extension  
20 of the centerline of Penn City Road;

21           THENCE, in a Northerly direction, along the said centerline  
22 extension of said Penn City Road, to the common intersection of Penn  
23 City Road, "Beltway 8" and Interstate 10 for corner;

24           THENCE, in a Northerly direction, along the centerline of  
25 said "Beltway 8", approximately 2 1/2 miles to the POINT OF  
26 BEGINNING. Save and except for any portion hereof that is included  
27 in the municipal or corporate boundaries of the City of Houston.

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

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

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

15           (d) All requirements of the constitution and laws of this  
16 state and the rules and procedures of the legislature with respect  
17 to the notice, introduction, and passage of this Act are fulfilled  
18 and accomplished.

19           SECTION 4. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2017.