

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
Channelview Improvement 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 SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

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

23 (c) A director elected under Section 3943.052 serves a
24 two-year term. To qualify as a candidate for position four, a
25 person must reside in the district. To qualify as a candidate for
26 position five, a person must lease a retail store or own real
27 property in the district.

1 (d) In appointing directors under Subsection (b), the
2 commissioners court shall consider any recommendation received by
3 an organization dedicated to the economic development of the
4 district.

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

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

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

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

13 (2) describe the qualifications for each position for
14 which a candidate is running.

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

18 (d) The board shall certify that the person receiving the
19 highest number of votes for each position is elected as the director
20 for that position.

21 Sec. 3943.053. LAW GOVERNING ADMINISTRATION OF BOARD.
22 Sections 375.066-375.070, Local Government Code, apply to the board
23 as if it were established under Chapter 375 of that code.

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

26 Sec. 3943.055. INITIAL DIRECTORS. (a) The initial
27 directors elected under Section 3943.052 shall be elected at an

1 election to be held on November 7, 2017.

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

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

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 3943.101. GENERAL POWERS. The district has all of the
7 powers and duties necessary to accomplish the purposes for which
8 the district was created, including the powers and duties provided
9 by:

10 (1) Subchapter E, Chapter 375, Local Government Code;
11 and

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

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

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

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

27 (1) to administer and operate the district;

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

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

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

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

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

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

21 (b) The district may contract with a person to receive,
22 administer, and perform the district's duties under a gift, grant,
23 loan, conveyance, transfer, bequest, donation, or other financial
24 arrangement relating to the investigation, planning, analysis,
25 acquisition, construction, completion, implementation, or
26 operation of a proposed or existing improvement project.

27 (c) Any person, including any type of governmental entity,

1 may contract with the district to carry out the purposes of this
2 chapter.

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

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

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

18 (b) An improvement project may include detention,
19 protection, and improvement of the flow and quality of storm water
20 in the district.

21 Sec. 3943.154. PARKING AND TRANSPORTATION. An improvement
22 project may include the planning, design, construction,
23 improvement, maintenance, and operation of an off-street parking
24 facility, heliport, bus terminal, mass transit, and roadway or
25 water transportation system.

26 Sec. 3943.155. DEMOLITION. An improvement project may
27 include the removal, razing, demolition, or clearing of land or

1 improvements in connection with an improvement project.

2 Sec. 3943.156. ACQUISITION OF PROPERTY. An improvement
3 project may include the acquisition of property or an interest in
4 property in connection with an improvement project.

5 Sec. 3943.157. SPECIAL OR SUPPLEMENTAL SERVICES. An
6 improvement project may include a special or supplemental service
7 for the improvement and promotion of the district or for the
8 protection of public health and safety in the district, including:

9 (1) tourism;

10 (2) elimination of traffic congestion;

11 (3) health, sanitation, public safety, security, fire
12 protection, or emergency medical services;

13 (4) recreational, educational, or cultural
14 improvements, enhancements, and services; and

15 (5) advertising, promotion, and business recruitment.

16 Sec. 3943.158. SIMILAR IMPROVEMENT PROJECTS. An
17 improvement project may include a public improvement, facility, or
18 service similar to a project described by this subchapter.

19 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

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

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

23 (1) establish and collect user fees, concession fees,
24 admission fees, rental fees, or other similar fees or charges; and

25 (2) apply the proceeds from those fees or charges for
26 the enjoyment, sale, rental, or other use of the district's
27 facilities, services, or improvement projects.

1 Sec. 3943.203. BORROWING MONEY. The district may borrow
2 money for a district purpose.

3 Sec. 3943.204. PAYMENT OF EXPENSES. The district may
4 provide or secure the payment or repayment of any district expense,
5 including:

6 (1) a district cost relating to an improvement
7 project;

8 (2) a district contractual obligation or
9 indebtedness, because of a lease, installment purchase contract, or
10 other agreement; or

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

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

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

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

23 SUBCHAPTER F. SALES AND USE TAX

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

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

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

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

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

7 (1) the tax is imposed on the receipts from the sale at
8 retail of taxable items in the district; and

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

13 (d) The rate of the excise tax is the same as the rate of the
14 sales tax portion of the tax applied to the sales price of the
15 taxable items and is included in the sales tax.

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

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

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

26 Sec. 3943.253. BALLOT WORDING. (a) In an election to adopt
27 a sales and use tax, the ballot shall be prepared to permit voting

1 for or against the proposition: "The adoption of a local sales and
2 use tax in the Channelview Improvement District at the rate of
3 (proposed tax rate)."

4 (b) In an election to change the rate of the sales and use
5 tax, the ballot shall be prepared to permit voting for or against
6 the proposition: "The (increase or decrease, as applicable) in the
7 rate of the local sales and use tax imposed in the Channelview
8 Improvement District from (tax rate on election date) percent to
9 (proposed tax rate) percent."

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

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

22 (b) Chapter 323, Tax Code, does not apply to the use and
23 allocation of revenues under this chapter.

24 (c) In applying Chapter 323, Tax Code:

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

27 (2) a reference in that chapter to "the commissioners

1 court" means the board.

2 Sec. 3943.255. TAX RATES. The district may impose the sales
3 and use tax and the excise tax in increments of one-eighth of one
4 percent, with a minimum tax of one-half percent and a maximum tax of
5 one percent.

6 Sec. 3943.256. ABOLITION OF TAX. The board by order and
7 without an election may abolish the sales and use tax and the excise
8 tax.

9 Sec. 3943.257. USE OF TAXES. The district may use the
10 proceeds from the sales and use tax and the excise tax only for the
11 purposes for which the district was created.

12 Sec. 3943.258. EFFECTIVE DATE OF TAX OR TAX CHANGE. The
13 adoption of a tax rate or a change in the tax rate takes effect after
14 the expiration of the first complete calendar quarter occurring
15 after the date on which the comptroller receives a notice of the
16 results of the election.

17 SUBCHAPTER G. DISSOLUTION

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

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

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

27 (c) If on the date the district is dissolved the district

1 has outstanding liabilities, the board shall, not later than the
2 30th day after the date of dissolution, adopt a resolution
3 certifying each outstanding liability. The county shall assume the
4 outstanding liabilities and shall collect the sales and use tax for
5 the district for the remainder of the calendar year. The county may
6 continue to collect the tax for an additional calendar year if the
7 commissioners court of the county finds that the tax revenue is
8 needed to retire the district liabilities that were assumed by the
9 county.

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

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

19 Sec. 3943.303. ADMINISTRATION OF DISTRICT PROPERTY
20 FOLLOWING DISSOLUTION. (a) After the date the board orders the
21 dissolution of the district, the board shall transfer ownership of
22 all district property to the county, except as provided by
23 Subsection (b).

24 (b) If, on the date on which the board orders the
25 dissolution, more than 50 percent of the district territory is in a
26 municipality, the board shall transfer ownership of the district's
27 property to the municipality.

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

3 BEGINNING at the centerline intersection of the East Sam
4 Houston Parkway ("Beltway 8") with the centerline of Wallisville
5 Road, approximately 2 1/2 miles north of Interstate 10 ("East
6 Freeway"), along said "Beltway 8";

7 THENCE, in a Northeasterly direction, along the centerline of
8 said Wallisville Road, to the intersection of said Wallisville Road
9 with the west bank of the San Jacinto River;

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

14 THENCE, in an Easterly direction, along the southerly bank of
15 said Whites Lake, to the intersection of said Whites Lake, also
16 being the northerly Right-of-Way line of said Interstate 10 with
17 the westerly bank of the said San Jacinto River;

18 THENCE, in a Southwesterly direction, along the westerly bank
19 of the said San Jacinto River, crossing the northerly outlet of Old
20 River to the intersection of the northerly City of Houston, City
21 Limit Line;

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

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

1 THENCE, in a Southwesterly direction with the northwesterly
2 bank of said Houston Ship Channel and with the northwesterly City
3 Limit Line to an angle point in said City Limit Line northeasterly
4 of the outlet of Carpenters Bayou/Barge Channel;

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

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

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

16 THENCE, in a Southwesterly direction with the northwesterly
17 bank of said Houston Ship Channel with the northwesterly City Limit
18 Line to an angle point of said City Limit Line located near the
19 outlet of the Jacinto Port Slip;

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

23 THENCE, in a Southwesterly direction with northwesterly City
24 Limit Line, being a line parallel to and located approximately
25 2,500 feet from the centerline of said Houston Ship Channel,
26 crossing said Jacinto Port Slip to an angle point in said City Limit
27 Line;

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

3 THENCE, in a Southeasterly direction with the northerly City
4 Limit Line and generally with the Northerly bank of said Houston
5 Ship Channel, crossing said "Beltway 8" to the intersection of the
6 northerly bank of the said Houston Ship Channel with the extension
7 of the centerline of Penn City Road;

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

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

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

22 (b) The governor, one of the required recipients, has
23 submitted the notice and Act to the Texas Commission on
24 Environmental Quality.

25 (c) The Texas Commission on Environmental Quality has filed
26 its recommendations relating to this Act with the governor, the
27 lieutenant governor, and the speaker of the house of

1 representatives within the required time.

2 (d) All requirements of the constitution and laws of this
3 state and the rules and procedures of the legislature with respect
4 to the notice, introduction, and passage of this Act are fulfilled
5 and accomplished.

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