

By: Oliverson

H.B. No. 4283

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the conversion of the Grand Northwest Municipal Utility  
3 District to the Grand Northwest Municipal Management District;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, or taxes.

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

7 SECTION 1. The Grand Northwest Municipal Utility District  
8 is converted to the Grand Northwest Municipal Management District  
9 and is governed by Chapter 3949, Special District Local Laws Code,  
10 as added by this Act.

11 SECTION 2. Subtitle C, Title 4, Special District Local Laws  
12 Code, is amended by adding Chapter 3949 to read as follows:

13 CHAPTER 3949. GRAND NORTHWEST MUNICIPAL MANAGEMENT DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 3949.001. DEFINITIONS. In this chapter:

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

17 (2) "County" means Harris County.

18 (3) "Director" means a board member.

19 (4) "District" means the Grand Northwest Municipal  
20 Management District, formerly the Grand Northwest Municipal  
21 Utility District.

22 Sec. 3949.002. NATURE OF DISTRICT; CONVERSION. The Grand  
23 Northwest Municipal Management District is a special district  
24 created under Section 59, Article XVI, Texas Constitution, as the

1 Grand Northwest Municipal Utility District. The district is  
2 converted to a municipal management district known as the Grand  
3 Northwest Municipal Management District under the same  
4 constitutional authority.

5 Sec. 3949.003. PURPOSE; DECLARATION OF INTENT. (a) The  
6 conversion and operation of the district are essential to  
7 accomplish the purposes of Sections 52 and 52-a, Article III, and  
8 Section 59, Article XVI, Texas Constitution, and other public  
9 purposes stated in this chapter. By converting the district to a  
10 municipal management district and in authorizing the county and  
11 other political subdivisions to contract with the district, the  
12 legislature has established a program to accomplish the public  
13 purposes set out in Section 52-a, Article III, Texas Constitution.

14 (b) The conversion and operation of the district are  
15 necessary to promote, develop, encourage, and maintain employment,  
16 commerce, transportation, housing, tourism, recreation, the arts,  
17 entertainment, economic development, safety, and the public  
18 welfare in the district.

19 (c) This chapter and the conversion or operation of the  
20 district may not be interpreted to relieve the county from  
21 providing the level of services provided as of the effective date of  
22 the Act enacting this chapter to the area in the district. The  
23 district is created to supplement and not to supplant county  
24 services provided in the district.

25 Sec. 3949.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
26 The district is converted to a municipal management district to  
27 serve a public use and benefit.

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

6       (c) The operation of the district is in the public interest  
7 and is essential to further the public purposes of:

8           (1) developing and diversifying the economy of the  
9 state;

10           (2) eliminating unemployment and underemployment; and

11           (3) developing or expanding transportation and  
12 commerce.

13       (d) The district will:

14           (1) promote the health, safety, and general welfare of  
15 residents, employers, potential employees, employees, visitors,  
16 and consumers in the district, and of the public;

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

20           (3) promote the health, safety, welfare, and enjoyment  
21 of the public by providing pedestrian ways and by landscaping and  
22 developing certain areas in the district, which are necessary for  
23 the restoration, preservation, and enhancement of scenic beauty;  
24 and

25           (4) provide for water, wastewater, drainage, road, and  
26 recreational facilities for the district.

27       (e) Pedestrian ways along or across a street, whether at

1 grade or above or below the surface, and street lighting, street  
2 landscaping, parking, and street art objects are parts of and  
3 necessary components of a street and are considered to be a street  
4 or road improvement.

5 (f) The district will not act as the agent or  
6 instrumentality of any private interest even though the district  
7 will benefit many private interests as well as the public.

8 Sec. 3949.005. INITIAL DISTRICT TERRITORY. The district is  
9 initially composed of the territory of the former Grand Northwest  
10 Municipal Utility District as that territory existed on March 1,  
11 2017.

12 Sec. 3949.006. APPLICABILITY OF MUNICIPAL MANAGEMENT  
13 DISTRICTS LAW. Except as otherwise provided by this chapter,  
14 Chapter 375, Local Government Code, applies to the district.

15 Sec. 3949.007. CONSTRUCTION OF CHAPTER. This chapter shall  
16 be liberally construed in conformity with the findings and purposes  
17 stated in this chapter.

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 3949.051. GOVERNING BODY; TERMS. (a) The district is  
20 governed by a board of five directors elected in the manner provided  
21 by Sections 49.102 and 49.103, Water Code.

22 (b) Directors serve staggered four-year terms.

23 Sec. 3949.052. QUORUM. For purposes of determining the  
24 requirements for a quorum of the board, the following are not  
25 counted:

26 (1) a board position vacant for any reason, including  
27 death, resignation, or disqualification; or

1           (2) a director who is abstaining from participation in  
2 a vote because of a conflict of interest.

3           Sec. 3949.053. COMPENSATION. A director is entitled to  
4 receive fees of office and reimbursement for actual expenses as  
5 provided by Section 49.060, Water Code. Sections 375.069 and  
6 375.070, Local Government Code, do not apply to the board.

7           Sec. 3949.054. INITIAL DIRECTORS ON CONVERSION TO  
8 MANAGEMENT DISTRICT. (a) Notwithstanding Section 3949.051, on the  
9 conversion of the district to a management district the initial  
10 board consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1.</u>	<u>Charles Martin</u>
<u>2.</u>	<u>Taylor Dillingham</u>
<u>3.</u>	<u>Stephen Ghutzman</u>
<u>4.</u>	<u>Oliver Maarraoui</u>
<u>5.</u>	<u>Andrew Doonan</u>

17           (b) Of the initial directors, the terms of directors  
18 appointed for positions one, two, and three expire May 14, 2018, and  
19 the terms of directors appointed for positions four and five expire  
20 May 12, 2020.

21           (c) This section expires September 1, 2020.

22                           SUBCHAPTER C. POWERS AND DUTIES

23           Sec. 3949.101. GENERAL POWERS AND DUTIES. The district has  
24 the powers and duties necessary to accomplish the purposes  
25 described by this chapter.

26           Sec. 3949.102. IMPROVEMENT PROJECTS AND SERVICES. The  
27 district may provide, design, construct, acquire, improve,

1 relocate, operate, maintain, or finance an improvement project or  
2 service using any money available to the district, or contract with  
3 a governmental or private entity to provide, design, construct,  
4 acquire, improve, relocate, operate, maintain, or finance an  
5 improvement project or service authorized under this chapter or  
6 Chapter 375, Local Government Code.

7 Sec. 3949.103. MUNICIPAL UTILITY DISTRICT POWERS AND  
8 DUTIES. The district has the powers and duties provided by the  
9 general law of this state, including Chapters 49 and 54, Water Code,  
10 applicable to municipal utility districts created under Section 59,  
11 Article XVI, Texas Constitution.

12 Sec. 3949.104. AGREEMENTS; GRANTS. (a) As provided by  
13 Chapter 375, Local Government Code, the district may make an  
14 agreement with or accept a gift, grant, or loan from any person.

15 (b) The implementation of a project is a governmental  
16 function or service for the purposes of Chapter 791, Government  
17 Code.

18 Sec. 3949.105. LAW ENFORCEMENT SERVICES. To protect the  
19 public interest, the district may contract with a qualified party,  
20 including the county, to provide law enforcement services in the  
21 district for a fee.

22 Sec. 3949.106. ECONOMIC DEVELOPMENT. (a) The district may  
23 engage in activities that accomplish the economic development  
24 purposes of the district.

25 (b) The district may establish and provide for the  
26 administration of one or more programs to promote state or local  
27 economic development and to stimulate business and commercial

1 activity in the district, including programs to:

2 (1) make loans and grants of public money; and

3 (2) provide district personnel and services.

4 (c) The district may create economic development programs  
5 and exercise the economic development powers provided to  
6 municipalities by:

7 (1) Chapter 380, Local Government Code; and

8 (2) Subchapter A, Chapter 1509, Government Code.

9 Sec. 3949.107. PARKING FACILITIES. (a) The district may  
10 acquire, lease as lessor or lessee, construct, develop, own,  
11 operate, and maintain parking facilities or a system of parking  
12 facilities, including lots, garages, parking terminals, or other  
13 structures or accommodations for parking motor vehicles off the  
14 streets and related appurtenances.

15 (b) The district's parking facilities serve the public  
16 purposes of the district and are owned, used, and held for a public  
17 purpose even if leased or operated by a private entity for a term of  
18 years.

19 (c) The district's parking facilities are parts of and  
20 necessary components of a street and are considered to be a street  
21 or road improvement.

22 (d) The development and operation of the district's parking  
23 facilities may be considered an economic development program.

24 Sec. 3949.108. ANNEXATION OF LAND. The district may annex  
25 land as provided by Subchapter J, Chapter 49, Water Code.

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

27 Sec. 3949.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The

1 board by resolution shall establish the number of directors'  
2 signatures and the procedure required for a disbursement or  
3 transfer of district money.

4 Sec. 3949.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
5 The district may acquire, construct, finance, operate, or maintain  
6 any improvement or service authorized under this chapter or Chapter  
7 375, Local Government Code, using any money available to the  
8 district.

9 Sec. 3949.153. PETITION REQUIRED FOR FINANCING SERVICES AND  
10 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
11 service or improvement project with assessments under this chapter  
12 unless a written petition requesting that service or improvement  
13 has been filed with the board.

14 (b) A petition filed under Subsection (a) must be signed by  
15 the owners of a majority of the assessed value of real property in  
16 the district subject to assessment according to the most recent  
17 certified tax appraisal roll for the county.

18 Sec. 3949.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
19 The board by resolution may impose and collect an assessment for any  
20 purpose authorized by this chapter in all or any part of the  
21 district.

22 (b) An assessment, a reassessment, or an assessment  
23 resulting from an addition to or correction of the assessment roll  
24 by the district, penalties and interest on an assessment or  
25 reassessment, an expense of collection, and reasonable attorney's  
26 fees incurred by the district:

27 (1) are a first and prior lien against the property



1 assessed;

2 (2) are superior to any other lien or claim other than  
3 a lien or claim for county, school district, or municipal ad valorem  
4 taxes; and

5 (3) are the personal liability of and a charge against  
6 the owners of the property even if the owners are not named in the  
7 assessment proceedings.

8 (c) The lien is effective from the date of the board's  
9 resolution imposing the assessment until the date the assessment is  
10 paid. The board may enforce the lien in the same manner that the  
11 board may enforce an ad valorem tax lien against real property.

12 (d) The board may make a correction to or deletion from the  
13 assessment roll that does not increase the amount of assessment of  
14 any parcel of land without providing notice and holding a hearing in  
15 the manner required for additional assessments.

16 SUBCHAPTER E. TAXES AND BONDS

17 Sec. 3949.201. ELECTIONS REGARDING TAXES AND BONDS. (a)  
18 The district may issue, without an election, bonds, notes, and  
19 other obligations secured by:

20 (1) revenue other than ad valorem taxes; or

21 (2) contract payments described by Section 3949.203.

22 (b) The district must hold an election in the manner  
23 provided by Subchapter L, Chapter 375, Local Government Code, to  
24 obtain voter approval before the district may impose an ad valorem  
25 tax or issue bonds payable from ad valorem taxes.

26 (c) Section 375.243, Local Government Code, does not apply  
27 to the district.

1       (d) All or any part of any facilities or improvements that  
2 may be acquired by a district by the issuance of its bonds may be  
3 submitted as a single proposition or as several propositions to be  
4 voted on at the election.

5       Sec. 3949.202. OPERATION AND MAINTENANCE TAX. (a) If  
6 authorized by a majority of the district voters voting at an  
7 election held in accordance with Section 3949.201, the district may  
8 impose an operation and maintenance tax on taxable property in the  
9 district in accordance with Section 49.107, Water Code, for any  
10 district purpose, including to:

11           (1) maintain and operate the district;

12           (2) construct or acquire improvements; or

13           (3) provide a service.

14       (b) The board shall determine the tax rate. The rate may not  
15 exceed the rate approved at the election.

16       (c) Section 49.107(h), Water Code, does not apply to the  
17 district.

18       Sec. 3949.203. CONTRACT TAXES. (a) In accordance with  
19 Section 49.108, Water Code, the district may impose a tax other than  
20 an operation and maintenance tax and use the revenue derived from  
21 the tax to make payments under a contract after the provisions of  
22 the contract have been approved by a majority of the district voters  
23 voting at an election held for that purpose.

24       (b) A contract approved by the district voters may contain a  
25 provision stating that the contract may be modified or amended by  
26 the board without further voter approval.

27       Sec. 3949.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS

1 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms  
2 determined by the board. Section 375.205, Local Government Code,  
3 does not apply to a loan, line of credit, or other borrowing from a  
4 bank or financial institution secured by revenue other than ad  
5 valorem taxes.

6 (b) The district may issue bonds, notes, or other  
7 obligations payable wholly or partly from ad valorem taxes,  
8 assessments, impact fees, revenue, contract payments, grants, or  
9 other district money, or any combination of those sources of money,  
10 to pay for any authorized district purpose.

11 (c) The limitation on the outstanding principal amount of  
12 bonds, notes, and other obligations provided by Section 49.4645,  
13 Water Code, does not apply to the district.

14 Sec. 3949.205. TAXES FOR BONDS. At the time the district  
15 issues bonds payable wholly or partly from ad valorem taxes, the  
16 board shall provide for the annual imposition of a continuing  
17 direct annual ad valorem tax, without limit as to rate or amount,  
18 for each year that all or part of the bonds are outstanding as  
19 required and in the manner provided by Sections 54.601 and 54.602,  
20 Water Code.

21 SUBCHAPTER F. DISSOLUTION AND MUNICIPAL ANNEXATION

22 Sec. 3949.251. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The  
23 district is a "water or sewer district" under Section 43.071, Local  
24 Government Code.

25 (b) Section 43.075, Local Government Code, applies to the  
26 district.

27 (c) Section 375.264, Local Government Code, does not apply

1 to the dissolution of the district by a municipality.

2 SECTION 3. The Grand Northwest Municipal Management  
3 District retains all rights, powers, privileges, authority,  
4 duties, and functions that the Grand Northwest Municipal Utility  
5 District had before the effective date of this Act, except as  
6 otherwise expressly provided by Chapter 3949, Special District  
7 Local Laws Code, as added by this Act.

8 SECTION 4. (a) The legislature validates and confirms all  
9 governmental acts and proceedings of the Grand Northwest Municipal  
10 Utility District that were taken before the effective date of this  
11 Act.

12 (b) This section does not apply to any matter that on the  
13 effective date of this Act:

14 (1) is involved in litigation if the litigation  
15 ultimately results in the matter being held invalid by a final court  
16 judgment; or

17 (2) has been held invalid by a final court judgment.

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

25 (b) The governor, one of the required recipients, has  
26 submitted the notice and Act to the Texas Commission on  
27 Environmental Quality.

1           (c) The Texas Commission on Environmental Quality has filed  
2 its recommendations relating to this Act with the governor,  
3 lieutenant governor, and speaker of the house of representatives  
4 within the required time.

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

9           (e) All requirements of the constitution and laws of this  
10 state and the rules and procedures of the legislature with respect  
11 to the notice, introduction, and passage of this Act have been  
12 fulfilled and accomplished.

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