

1-1 By: Creighton S.B. No. 2269
 1-2 (In the Senate - Filed April 7, 2017; April 10, 2017, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; May 3, 2017, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 6, Nays 0;
 1-6 May 3, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell			X	
1-11 Garcia	X			
1-12 Huffines	X			
1-13 Menéndez	X			
1-14 Taylor of Collin	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2269 By: Garcia

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to creation of the Bolivar Management District; providing
 1-20 authority to issue bonds; providing authority to impose
 1-21 assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-23 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-24 Code, is amended by adding Chapter 3796 to read as follows:

1-25 CHAPTER 3796. BOLIVAR MANAGEMENT DISTRICT
 1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 3796.001. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the board of directors of the
 1-29 district.

1-30 (2) "City" means the City of Galveston.

1-31 (3) "County" means Galveston County.

1-32 (4) "District" means the Bolivar Management District.

1-33 Sec. 3796.002. BOLIVAR MANAGEMENT DISTRICT. The Bolivar
 1-34 Management District is a special district created under Section 59,
 1-35 Article XVI, Texas Constitution.

1-36 Sec. 3796.003. PURPOSE; DECLARATION OF INTENT. (a) The
 1-37 creation of the district is essential to accomplish the purposes of
 1-38 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-39 Texas Constitution, and other public purposes stated in this
 1-40 chapter. By creating the district and in authorizing the county and
 1-41 other political subdivisions to contract with the district, the
 1-42 legislature has established a program to accomplish the public
 1-43 purposes set out in Section 52-a, Article III, Texas Constitution.

1-44 (b) The creation of the district is necessary to promote,
 1-45 develop, encourage, and maintain employment, commerce,
 1-46 transportation, housing, tourism, recreation, the arts,
 1-47 entertainment, economic development, safety, and the public
 1-48 welfare in the area of the district.

1-49 (c) This chapter and the creation of the district may not be
 1-50 interpreted to relieve the county from providing the level of
 1-51 services provided, as of the effective date of the Act enacting this
 1-52 chapter, to the area in the district. The district is created to
 1-53 supplement and not to supplant the county services provided in the
 1-54 area in the district.

1-55 Sec. 3796.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-56 (a) The district is created to serve a public use and benefit.

1-57 (b) All land and other property included in the district
 1-58 will benefit from the improvements and services to be provided by
 1-59 the district under powers conferred by Sections 52 and 52-a,
 1-60 Article III, and Section 59, Article XVI, Texas Constitution, and

2-1 other powers granted under this chapter.

2-2 (c) The creation of the district is in the public interest
2-3 and is essential to:

2-4 (1) further the public purposes of development and
2-5 diversification of the economy of the state;

2-6 (2) eliminate unemployment and underemployment; and

2-7 (3) develop or expand transportation and commerce.

2-8 (d) The district will:

2-9 (1) promote the health, safety, and general welfare of
2-10 residents, employers, employees, visitors, and consumers in the
2-11 district, and of the public;

2-12 (2) provide needed funding to preserve, maintain, and
2-13 enhance the economic health and vitality of the district as a
2-14 community and business center; and

2-15 (3) promote the health, safety, welfare, and enjoyment
2-16 of the public by providing pedestrian ways and by landscaping and
2-17 developing certain areas in the district, which are necessary for
2-18 the restoration, preservation, and enhancement of scenic beauty.

2-19 (e) Pedestrian ways along or across a street, whether at
2-20 grade or above or below the surface, and street lighting, street
2-21 landscaping, and street art objects are parts of and necessary
2-22 components of a street and are considered to be a street or road
2-23 improvement.

2-24 (f) The district will not act as the agent or
2-25 instrumentality of any private interest even though the district
2-26 will benefit many private interests, as well as the public.

2-27 Sec. 3796.005. DISTRICT TERRITORY. (a) The district is
2-28 initially composed of the territory described by Section 2 of the
2-29 Act enacting this chapter.

2-30 (b) The boundaries and field notes of the district contained
2-31 in Section 2 of the Act enacting this chapter form a closure. A
2-32 mistake made in the field notes or in copying the field notes in the
2-33 legislative process does not in any way affect the district's:

2-34 (1) organization, existence, or validity;

2-35 (2) right to issue any type of bonds, notes, or other
2-36 obligations for a purpose for which the district is created or to
2-37 pay the principal of and interest on the bonds, notes, or other
2-38 obligations;

2-39 (3) right to impose or collect an assessment or tax; or

2-40 (4) legality or operation.

2-41 Sec. 3796.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-42 All or any part of the area of the district is eligible to be
2-43 included in:

2-44 (1) a tax increment reinvestment zone created under
2-45 Chapter 311, Tax Code;

2-46 (2) a tax abatement reinvestment zone created under
2-47 Chapter 312, Tax Code; or

2-48 (3) an enterprise zone created under Chapter 2303,
2-49 Government Code.

2-50 Sec. 3796.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-51 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-52 Chapter 375, Local Government Code, applies to the district.

2-53 Sec. 3796.008. LIBERAL CONSTRUCTION OF CHAPTER. This
2-54 chapter shall be construed liberally in conformity with the
2-55 findings and purposes stated in this chapter.

2-56 SUBCHAPTER B. BOARD OF DIRECTORS

2-57 Sec. 3796.051. GOVERNING BODY; TERMS. (a) Except as
2-58 provided by Subsection (c), the district is governed by a board of
2-59 five directors appointed under Section 3796.052.

2-60 (b) Voting directors serve staggered terms of four years,
2-61 with two or three directors' terms expiring June 1 of each
2-62 odd-numbered year.

2-63 (c) The board by resolution may increase or decrease the
2-64 number of directors on the board if the board finds it is in the best
2-65 interest of the district. The board may not consist of fewer than 5
2-66 or more than 15 directors.

2-67 Sec. 3796.052. APPOINTMENT OF DIRECTORS. The governing
2-68 body of the county shall appoint the directors from a list of
2-69 persons recommended by the board.

3-1 Sec. 3796.053. CONFLICTS OF INTEREST. (a) Except as
 3-2 provided by this section:

3-3 (1) a director may participate in all board votes and
 3-4 decisions; and

3-5 (2) Chapter 171, Local Government Code, governs
 3-6 conflicts of interest for directors.

3-7 (b) A director who is also an officer or employee of a public
 3-8 entity may not participate in the discussion of or vote on a matter
 3-9 regarding a contract with that public entity.

3-10 Sec. 3796.054. INITIAL DIRECTORS. (a) The initial board
 3-11 consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Robert Morgan</u>
<u>2</u>	<u>Justin Thompson</u>
<u>3</u>	<u>Tom Harrison</u>
<u>4</u>	<u>Brad Ballard</u>
<u>5</u>	<u>Ross Harrison</u>

3-18 (b) Of the initial directors, the terms of directors
 3-19 appointed for positions one and two expire June 1, 2019, and the
 3-20 terms of directors appointed for positions three through five
 3-21 expire June 1, 2021.

3-22 (c) Section 3796.052 does not apply to this section.

3-23 SUBCHAPTER C. POWERS AND DUTIES

3-24 Sec. 3796.101. GENERAL POWERS AND DUTIES. The district has
 3-25 the powers and duties necessary to accomplish the purposes for
 3-26 which the district is created.

3-27 Sec. 3796.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
 3-28 district may provide, design, construct, acquire, improve,
 3-29 relocate, operate, maintain, or finance an improvement project or
 3-30 service using money available to the district, or contract with a
 3-31 governmental or private entity to provide, design, construct,
 3-32 acquire, improve, relocate, operate, maintain, or finance an
 3-33 improvement project or service authorized under this chapter or
 3-34 under Chapter 375, Local Government Code.

3-35 (b) An improvement project described by Subsection (a) may
 3-36 be located inside or outside the district.

3-37 Sec. 3796.103. AUTHORITY FOR ROAD PROJECTS. Under Section
 3-38 52, Article III, Texas Constitution, the district may own, operate,
 3-39 maintain, design, acquire, construct, finance, issue bonds, notes,
 3-40 or other obligations for, improve, and convey to this state, a
 3-41 county, or a municipality for ownership, operation, and maintenance
 3-42 macadamized, graveled, or paved roads or improvements, including
 3-43 storm drainage, in aid of those roads.

3-44 Sec. 3796.104. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3-45 (a) The district may convey a road project authorized by Section
 3-46 3796.103 to:

3-47 (1) a municipality or county that will operate and
 3-48 maintain the road if the municipality or county has approved the
 3-49 plans and specifications of the road project; or

3-50 (2) the state if the state will operate and maintain
 3-51 the road and the Texas Transportation Commission has approved the
 3-52 plans and specifications of the road project.

3-53 (b) Except as provided by Subsection (c), the district shall
 3-54 operate and maintain a road project authorized by Section 3796.103
 3-55 that the district implements and does not convey to a municipality,
 3-56 a county, or this state under Subsection (a).

3-57 (c) The district may agree in writing with a municipality, a
 3-58 county, or this state to assign operation and maintenance duties to
 3-59 the district, the municipality, the county, or this state in a
 3-60 manner other than the manner described in Subsections (a) and (b).

3-61 Sec. 3796.105. DEVELOPMENT CORPORATION POWERS. The
 3-62 district, using money available to the district, may exercise the
 3-63 powers given to a development corporation under Chapter 505, Local
 3-64 Government Code, including the power to own, operate, acquire,
 3-65 construct, lease, improve, or maintain a project under that
 3-66 chapter.

3-67 Sec. 3796.106. ADDITIONAL POWERS OF DISTRICT. The district
 3-68 may exercise the powers given to a district governed by Subchapters
 3-69 E and M, Chapter 60, Water Code, and Section 61.116, Water Code.

4-1 Sec. 3796.107. NONPROFIT CORPORATION. (a) The board by
4-2 resolution may authorize the creation of a nonprofit corporation to
4-3 assist and act for the district in implementing a project or
4-4 providing a service authorized by this chapter.

4-5 (b) The nonprofit corporation:
4-6 (1) has each power of and is considered for purposes of
4-7 this chapter to be a local government corporation created under
4-8 Subchapter D, Chapter 431, Transportation Code; and

4-9 (2) may implement any project and provide any service
4-10 authorized by this chapter.

4-11 (c) The board shall appoint the board of directors of the
4-12 nonprofit corporation. The board of directors of the nonprofit
4-13 corporation shall serve in the same manner as the board of directors
4-14 of a local government corporation created under Subchapter D,
4-15 Chapter 431, Transportation Code, except that a board member is not
4-16 required to reside in the district.

4-17 Sec. 3796.108. AGREEMENTS; GRANTS. (a) The district may
4-18 make an agreement with or accept a gift, grant, or loan from any
4-19 person.

4-20 (b) The implementation of a project is a governmental
4-21 function or service for the purposes of Chapter 791, Government
4-22 Code.

4-23 Sec. 3796.109. LAW ENFORCEMENT SERVICES. To protect the
4-24 public interest, the district may contract with the county or the
4-25 city to provide law enforcement services in the district for a fee.

4-26 Sec. 3796.110. COMPETITIVE BIDDING. Section 375.221, Local
4-27 Government Code, applies to the district, but only for a contract
4-28 that has a value greater than \$15,000.

4-29 Sec. 3796.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
4-30 district may join and pay dues to a charitable or nonprofit
4-31 organization that performs a service or provides an activity
4-32 consistent with the furtherance of a district purpose.

4-33 Sec. 3796.112. ECONOMIC DEVELOPMENT PROGRAMS. The district
4-34 may establish and provide for the administration of one or more
4-35 programs to promote state or local economic development and to
4-36 stimulate business and commercial activity in the district,
4-37 including programs to:

4-38 (1) make loans and grants of public money; and

4-39 (2) provide district personnel and services.

4-40 SUBCHAPTER D. FINANCIAL PROVISIONS

4-41 Sec. 3796.151. DISBURSEMENTS OR TRANSFERS OF MONEY. The
4-42 board by resolution shall establish the number of directors'
4-43 signatures and the procedure required for a disbursement or
4-44 transfer of the district's money.

4-45 Sec. 3796.152. TAX AND BOND ELECTIONS. (a) The district
4-46 shall hold an election in the manner provided by Subchapter L,
4-47 Chapter 375, Local Government Code, to obtain voter approval before
4-48 the district imposes a maintenance tax or issues bonds payable from
4-49 ad valorem taxes.

4-50 (b) The board may not include more than one purpose in a
4-51 single proposition at an election.

4-52 (c) Section 375.243, Local Government Code, does not apply
4-53 to the district.

4-54 Sec. 3796.153. MAINTENANCE AND OPERATION TAX. (a) If
4-55 authorized at an election held in accordance with Section 3796.152,
4-56 the district may impose an annual ad valorem tax on taxable property
4-57 in the district for the:

4-58 (1) maintenance and operation of the district and the
4-59 improvements constructed or acquired by the district; or

4-60 (2) provision of a service.

4-61 (b) The board shall determine the tax rate. The rate may not
4-62 exceed the rate approved at the election.

4-63 Sec. 3796.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

4-64 (a) The board by resolution may impose an assessment for any
4-65 purpose authorized by this chapter.

4-66 (b) An assessment, a reassessment, or an assessment
4-67 resulting from an addition to or correction of the assessment roll
4-68 by the district, penalties and interest on an assessment or
4-69 reassessment, an expense of collection, and reasonable attorney's

5-1 fees incurred by the district:

5-2 (1) are a first and prior lien against the property

5-3 assessed;

5-4 (2) are superior to any other lien or claim other than
5-5 a lien or claim for county, school district, or municipal ad valorem
5-6 taxes; and

5-7 (3) are the personal liability of and a charge against
5-8 the owners of the property even if the owners are not named in the
5-9 assessment proceedings.

5-10 (c) The lien is effective from the date of the board's
5-11 resolution imposing the assessment until the date the assessment is
5-12 paid. The board may enforce the lien in the same manner that the
5-13 board may enforce an ad valorem tax lien against real property.

5-14 (d) The board may make a correction to or deletion from the
5-15 assessment roll that does not increase the amount of assessment of
5-16 any parcel of land without providing notice and holding a hearing in
5-17 the manner required for additional assessments.

5-18 Sec. 3796.155. PETITION REQUIRED FOR FINANCING SERVICES AND
5-19 IMPROVEMENTS. (a) The board may not finance a service or
5-20 improvement project with assessments under this chapter unless a
5-21 written petition requesting that service or improvement has been
5-22 filed with the board.

5-23 (b) The petition must be signed by the owners of a majority
5-24 of the assessed value of real property in the district subject to
5-25 assessment according to the most recent certified tax appraisal
5-26 roll for the county.

5-27 Sec. 3796.156. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
5-28 ASSESSMENTS. The district may not impose an impact fee or
5-29 assessment on the property, including the equipment,
5-30 rights-of-way, facilities, or improvements, of:

5-31 (1) an electric utility or a power generation company
5-32 as defined by Section 31.002, Utilities Code;

5-33 (2) a gas utility as defined by Section 101.003 or
5-34 121.001, Utilities Code;

5-35 (3) a telecommunications provider as defined by
5-36 Section 51.002, Utilities Code; or

5-37 (4) a person who provides to the public cable
5-38 television or advanced telecommunications services.

5-39 Sec. 3796.157. BONDS AND OTHER OBLIGATIONS. (a) The
5-40 district may issue bonds or other obligations payable wholly or
5-41 partly from ad valorem taxes, assessments, impact fees, revenue,
5-42 grants, or other money of the district, or any combination of those
5-43 sources of money, to pay for any authorized purpose of the district.

5-44 (b) In exercising the district's power to borrow, the
5-45 district may issue a bond or other obligation in the form of a bond,
5-46 note, certificate of participation or other instrument evidencing a
5-47 proportionate interest in payments to be made by the district, or
5-48 other type of obligation.

5-49 Sec. 3796.158. COUNTY NOT REQUIRED TO PAY DISTRICT
5-50 OBLIGATIONS. The county is not required to pay a bond, note, or
5-51 other obligation of the district.

5-52 Sec. 3796.159. TAX AND ASSESSMENT ABATEMENTS. Without
5-53 further authorization or other procedural requirement, the
5-54 district may grant, consistent with Chapter 312, Tax Code, an
5-55 abatement for a tax or assessment owed to the district.

5-56 SUBCHAPTER E. DISSOLUTION

5-57 Sec. 3796.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING
5-58 DEBT. (a) The board may vote to dissolve a district that has debt.
5-59 If the vote is in favor of dissolution, the district shall remain in
5-60 existence solely for the limited purpose of discharging its debts.
5-61 The dissolution is effective when all debts have been discharged.

5-62 (b) Section 375.264, Local Government Code, does not apply
5-63 to the district.

5-64 SECTION 2. The Bolivar Management District initially
5-65 includes all the territory contained in the following area:

5-66 Land lying and being situated in Galveston County, Texas, out
5-67 of the Port Bolivar Townsite, Samuel Parr Survey, Abstract No. 162,
5-68 Galveston County, Texas as follows:

5-69 Block Lot(s)

6-1 320 1-33
6-2 345 13-24
6-3 346 1-34

6-4 Water Lots # 33 - 55 Lying North of Intracoastal Waterway.

6-5 SECTION 3. (a) The legal notice of the intention to
6-6 introduce this Act, setting forth the general substance of this
6-7 Act, has been published as provided by law, and the notice and a
6-8 copy of this Act have been furnished to all persons, agencies,
6-9 officials, or entities to which they are required to be furnished
6-10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-11 Government Code.

6-12 (b) The governor, one of the required recipients, has
6-13 submitted the notice and Act to the Texas Commission on
6-14 Environmental Quality.

6-15 (c) The Texas Commission on Environmental Quality has filed
6-16 its recommendations relating to this Act with the governor,
6-17 lieutenant governor, and speaker of the house of representatives
6-18 within the required time.

6-19 (d) The general law relating to consent by political
6-20 subdivisions to the creation of districts with conservation,
6-21 reclamation, and road powers and the inclusion of land in those
6-22 districts has been complied with.

6-23 (e) All requirements of the constitution and laws of this
6-24 state and the rules and procedures of the legislature with respect
6-25 to the notice, introduction, and passage of this Act have been
6-26 fulfilled and accomplished.

6-27 SECTION 4. This Act takes effect immediately if it receives
6-28 a vote of two-thirds of all the members elected to each house, as
6-29 provided by Section 39, Article III, Texas Constitution. If this
6-30 Act does not receive the vote necessary for immediate effect, this
6-31 Act takes effect September 1, 2017.

6-32 * * * * *