BILL ANALYSIS

Senate Research Center 86R17915 JCG-F

H.B. 4721 By: Zerwas (Kolkhorst) Intergovernmental Relations 5/16/2019 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4721 amends the Special District Local Laws Code to rename the Fulshear Parkway Improvement District as the Texas Heritage Parkway Improvement District. The bill provides for the nomination, appointment, and terms of the initial voting directors of the district. The bill authorizes the district to define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole and sets out provisions relating to such defined areas and designated property, including provisions providing for the imposition of a property tax after an election, the issuance of bonds, and the addition and exclusion of land.

H.B. 4721 amends Chapter 827, Acts of the 83rd Legislature, Regular Session, 2013, to change the district's territory.

H.B. 4721 establishes that the district retains all the rights, powers, privileges, authority, duties, and functions that the district had before the bill's effective date. The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

H.B. 4721 amends current law relating to the Texas Heritage Parkway Improvement District.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Chapter 3921, Special District Local Laws Code, to read as follows:

CHAPTER 3921. TEXAS HERITAGE PARKWAY IMPROVEMENT DISTRICT

SECTION 2. Amends Section 3921.001(3), Special District Local Laws Code, to redefine "district" to mean the Texas Heritage Parkway Improvement District (district), rather than the Texas Heritage Fulshear Parkway Improvement

SECTION 3. Amends Section 3921.002, Special District Local Laws Code, as follows:

Sec. 3921.002. NATURE OF DISTRICT. Provides that the Texas Heritage Parkway Improvement District, rather than the Texas Heritage Fulshear Parkway Improvement District, is a special district created under Section 59, Article XVI, Texas Constitution.

SECTION 4. Amends the heading to Section 3921.005, Special District Local Laws Code, to read as follows:

Sec. 3921.005. DISTRICT TERRITORY.

SECTION 5. Amends Section 3921.005(a), Special District Local Laws Code, as follows:

(a) Provides that the district is composed, rather than is initially composed, of the territory described by Section 2 of the Act enacting this chapter.

SECTION 6. Amends Subchapter B, Chapter 3921, Special District Local Laws Code, by adding Section 3921.056, as follows:

Sec. 3921.056. INITIAL VOTING DIRECTORS. (a) Authorizes the owner or owners of a majority of the assessed value of the real property in the district, on or after the effective date of the Act enacting this section, to submit a petition to the governing body of Fort Bend County nominating the five persons named in the petition as initial voting directors.

- (b) Authorizes the governing body of Fort Bend County to reject the nomination of a person named in the petition described by Subsection (a) for a position as an initial director. Requires the owner or owners who submitted the petition under Subsection (a), if the governing body rejects a nomination, to submit a new nominee for that position until the governing body appoints an initial director to each position on the board of directors of the district (board).
- (c) Provides that, of the initial directors, the terms of directors appointed for positions one through three expire June 1 of the first odd-numbered year following the initial appointment, and the terms of directors appointed for positions four and five expire June 1 of the second odd-numbered year following the initial appointment.
- (d) Provides that Section 3921.052 (Appointment of Voting Directors) does not apply to this section.

SECTION 7. Amends Chapter 3921, Special District Local Laws Code, by adding Subchapter F, as follows:

SUBCHAPTER F. DEFINED AREAS

Sec. 3921.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. Authorizes the district to define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Sec. 3921.252. PROCEDURE FOR ELECTION. (a) Requires the board, before the district may impose an ad valorem tax applicable only to the defined area or designated property or issue bonds payable from ad valorem taxes of the defined area or designated property, to hold an election in the defined area or in the designated property only.

(b) Authorizes the board to submit the proposition to the voters on the same ballot to be used in another election.

Sec. 3921.253. DECLARING RESULT AND ISSUING ORDER. (a) Requires the board, if a majority of the voters voting at the election held under Section 3921.252 approve the proposition or propositions, to declare the results and, by order, to establish the defined area or designated property and describe it by metes and bounds or designate the specific area or property.

(b) Prohibits a court from reviewing the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Sec. 3921.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. Authorizes the district, on voter approval and adoption of the order described by Section 3921.253, to apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined

area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Sec. 3921.255. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. Authorizes the district, after the order under Section 3921.253 is adopted, to issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Sec. 3921.256. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA. Authorizes the district to add or exclude land from the defined areas in the same manner the district is authorized to add or exclude land from the district.

SECTION 8. Amends Section 2, Chapter 827, Acts of the 83rd Legislature, Regular Session, 2013, to set forth the territory of the district.

SECTION 9. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that the district had before the effective date of this Act.

SECTION 10. (a) Provides that the legislature validates and confirms all acts and proceedings of the board of directors of the district that were taken before the effective date of this Act.

- (b) Provides that Subsection (a) of this section does not apply to any matter that on the effective date of this Act:
 - (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or
 - (2) has been held invalid by a final judgment of a court.

SECTION 11. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 12. Effective date: upon passage or September 1, 2019.