86R24330 SMT-F

By:  Davis of Dallas H.B. No. 4750

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Trinity Municipal Management District; providing authority to issue bonds; providing authority to impose assessments and fees.

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 3989 to read as follows:

CHAPTER 3989.  TRINITY MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3989.0101.  DEFINITIONS. In this chapter:

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

(2)  "City" means the City of Dallas.

(3)  "Commission" means the Texas Commission on Environmental Quality.

(4)  "County" means Dallas County.

(5)  "Director" means a board member.

(6)  "District" means the Trinity Municipal Management District.

Sec. 3989.0102.  NATURE OF DISTRICT. The Trinity Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3989.0103.  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.

(b)  By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(c)  The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(d)  This chapter and the creation of the district may not be interpreted to relieve the county or the city from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county or city services provided in the district.

Sec. 3989.0104.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(b)  The district is created to serve a public use and benefit.

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

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

(2)  eliminating unemployment and underemployment;

(3)  developing or expanding transportation and commerce;

(4)  eliminating homelessness and establishing a means to address related social, medical, or mental health needs; and

(5)  preventing dislocation of residents and providing affordable housing.

(d)  The district will:

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

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

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

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

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

Sec. 3989.0105.  INITIAL DISTRICT TERRITORY. The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

Sec. 3989.0106.  ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

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

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

(3)  an enterprise zone created under Chapter 2303, Government Code.

(b)  If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Sec. 3989.0107.  APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3989.0108.  CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3989.0201.  BOARD OF DIRECTORS; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring on June 1st of each even-numbered year.

Sec. 3989.0202.  APPOINTMENT OF BOARD. Directors are appointed by the mayor of the city.

Sec. 3989.0203.  INITIAL DIRECTORS. (a) Notwithstanding Sections 3989.0201 and 3989.0202, the initial board consists of the 14 elected representatives serving on the city council of the city on the effective date of the Act enacting this chapter. The initial directors serve until the earlier of:

(1)  June 1, 2020; or

(2)  the date directors are appointed for new districts created by a division of the district under Subchapter F.

(b)  Notwithstanding Section 3989.0201, the mayor shall designate two directors who succeed initial directors under Subsection (a)(1) to serve two-year terms.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3989.0301.  GENERAL POWERS AND DUTIES. (a) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(b)  The district shall adopt a comprehensive plan for accomplishing the purposes of the district.

Sec. 3989.0302.  IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b)  The district may contract with a governmental or private entity to carry out an action under Subsection (a).

(c)  The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3989.0303.  NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b)  The nonprofit corporation:

(1)  has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2)  may implement any project and provide any service authorized by this chapter.

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

Sec. 3989.0304.  LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Sec. 3989.0305.  MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3989.0306.  ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b)  The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

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

(2)  provide district personnel and services.

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

(1)  Chapter 380, Local Government Code; and

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

Sec. 3989.0307.  PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

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

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

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

Sec. 3989.0308.  ADDING OR EXCLUDING LAND. The district may add or exclude land in the manner provided by Subchapter J, Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

Sec. 3989.0309.  DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 3989.0310.  PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. 3989.0311.  RATES, FEES, AND CHARGES. The district may establish, revise, repeal, enforce, and collect rates, fees, and charges for the enjoyment, sale, rental, or other use of:

(1)  an improvement project;

(2)  a product resulting from an improvement project; or

(3)  another district facility, service, or property.

Sec. 3989.0312.  BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Sec. 3989.0313.  LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located or provide service inside or outside the district.

Sec. 3989.0314.  CITY REQUIREMENTS. An improvement project in the district must comply with any applicable requirements of the city, including codes and ordinances, unless specifically waived or superseded by agreement with the city.

Sec. 3989.0315.  RULES AND REGULATIONS. Notwithstanding any other law, with the approval of the city as provided by a resolution or ordinance, the district may:

(1)  establish rules and regulations governing zoning and land use in the district; and

(2)  establish rules and regulations to promote the use of historically underutilized businesses for the provision of goods and services in the district.

Sec. 3989.0316.  ENFORCEMENT OF REAL PROPERTY RESTRICTIONS. The district may enforce a real property restriction in the manner provided by Section 54.237, Water Code, if, in the reasonable judgment of the board, the enforcement of the restriction is necessary.

Sec. 3989.0317.  PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENTS AND FEES. The district may not impose an assessment, impact fee, or standby fee on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

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

(2)  a gas utility, as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;

(3)  a person who owns pipelines used for the transportation or sale of carbon dioxide;

(4)  a telecommunications provider as defined by Section 51.002, Utilities Code; or

(5)  a cable service provider or video service provider as defined by Section 66.002, Utilities Code.

Sec. 3989.0318.  NO AD VALOREM TAX. The district may not impose an ad valorem tax.

Sec. 3989.0319.  NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Sec. 3989.0320.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 3989.0401.  PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

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

Sec. 3989.0402.  ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

(c)  The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board would enforce an ad valorem tax lien against real property if the board were authorized to impose an ad valorem tax.

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

Sec. 3989.0403.  RESIDENTIAL PROPERTY NOT EXEMPT. Sections 375.161 and 375.164, Local Government Code, do not apply to the district.

Sec. 3989.0404.  COLLECTION OF ASSESSMENTS. The district may contract as provided by Chapter 791, Government Code, with the commissioners court of the county for the assessment and collection of assessments imposed under this subchapter.

SUBCHAPTER E. BONDS

Sec. 3989.0501.  AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b)  The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c)  The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by Subchapter A, Chapter 372, Local Government Code, if the improvement financed by an obligation issued under this section will be conveyed to or operated and maintained by a municipality or other retail utility provider pursuant to an agreement with the district entered into before the issuance of the obligation.

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3989.0601.  DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts.

Sec. 3989.0602.  LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Sec. 3989.0603.  LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act enacting this chapter.

Sec. 3989.0604.  DIVISION PROCEDURES. (a) The board may adopt an order dividing the district.

(b)  An order dividing the district must:

(1)  name each new district;

(2)  include a description of the territory of each new district;

(3)  include the names of directors for each new district appointed by the mayor of the city; and

(4)  provide for the division of assets and liabilities between the new districts.

(c)  Not later than the 30th day after the date the board adopts an order dividing the district into two or more new districts, the mayor of the city shall appoint directors for each new district. The mayor shall designate two directors appointed under this subsection to serve two-year terms.

(d)  On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

SUBCHAPTER I. DISSOLUTION

Sec. 3989.0901.  DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1)  66 percent or more of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2)  66 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b)  The board by majority vote may dissolve the district at any time.

(c)  The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1)  has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2)  has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or

(3)  owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.

(d)  Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.

(e)  The city is not liable for district debts or obligations following dissolution under this subchapter.

SECTION 2.  The Trinity Municipal Management District initially includes all the territory that, as of the effective date of this Act, is:

(1)  in the corporate limits of Dallas, Texas; and

(2)  included in a population census tract that is:

(A)  a qualified opportunity zone as defined by Section 1400Z-1, Internal Revenue Code of 1986; and

(B)  designated an opportunity zone by the governor.

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

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

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

(d)  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 have been fulfilled and accomplished.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.