86R24703 JCG-F

By:  Talarico H.B. No. 4760

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Hutto Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, 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 3990 to read as follows:

CHAPTER 3990. HUTTO MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3990.0101.  DEFINITIONS. In this chapter:

(1)  "Approved venue project" means a venue project that has been approved under this chapter by the voters of the district.

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

(3)  "City" means the City of Hutto.

(4)  "Director" means a board member.

(5)  "District" means the Hutto Municipal Management District No. 1.

(6)  "Venue" has the meaning assigned by Section 334.001, Local Government Code.

(7)  "Venue project" means a venue and related infrastructure that is planned, acquired, established, developed, constructed, or renovated under this chapter.

Sec. 3990.0102.  NATURE OF DISTRICT. The Hutto Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3990.0103.  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 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 city services provided in the district.

Sec. 3990.0104.  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; and

(3)  developing or expanding transportation and commerce.

(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;

(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; and

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

(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. 3990.0105.  INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1)  organization, existence, or validity;

(2)  right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

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

(4)  legality or operation.

Sec. 3990.0106.  ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. 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; or

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

Sec. 3990.0107.  APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3990.0108.  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. 3990.0201.  GOVERNING BODY; 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 June 1 of each even-numbered year.

Sec. 3990.0202.  QUALIFICATIONS OF DIRECTORS. (a) To be qualified to serve as a director, a person must be:

(1)  a resident of the city who is also a registered voter of the city;

(2)  an owner of property in the district;

(3)  an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;

(4)  an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district; or

(5)  an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).

(b)  Section 49.052, Water Code, does not apply to the district.

Sec. 3990.0203.  APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Sec. 3990.0204.  VACANCY. (a) If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

(b)  A director may resign from the board at any time.

Sec. 3990.0205.  OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. 3990.0206.  GENERAL MANAGER. The board may employ or contract with a person to perform the duties of a general manager of the district in the manner provided by Section 49.056, Water Code.

Sec. 3990.0207.  INITIAL DIRECTORS. (a) The initial board consists of persons appointed by the city from persons recommended by the owner or owners of a majority of the land located within the district.

(b)  Of the initial directors, the terms of directors appointed to positions one and two expire June 1, 2020, and the terms of directors appointed to positions three through five expire June 1, 2022.

(c)  Section 3990.0203 does not apply to a person appointed under Subsection (a).

(d)  This section expires September 1, 2022.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3990.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3990.0302.  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. 3990.0303.  VENUE PROJECT. (a) The legislature finds for all constitutional and statutory purposes that a venue project is an improvement project under this chapter and is owned, used, and held for public purposes by the district or city.

(b)  The district may acquire, sell, lease, convey, or otherwise dispose of property or an interest in property, including an approved venue project, under terms and conditions determined by the district. In a transaction with another public entity that is made as provided by this subsection, the public purpose found by the legislature under Subsection (a) is adequate consideration for the district and the other public entity.

(c)  The district may contract with a public or private person, including a sports team, club, organization, or other entity to:

(1)  plan, acquire, establish, develop, construct, or renovate an approved venue project; or

(2)  perform any other act the district is authorized to perform under this chapter, other than conducting an election under this chapter.

(d)  The district may contract with or enter into an interlocal agreement with a school district, junior or community college district, or an institution of higher education as defined by Section 61.003, Education Code, for a purpose described by Subsection (c). The contract or interlocal agreement may provide for joint ownership and operation or joint use.

(e)  Competitive bidding laws do not apply to the planning, acquisition, establishment, development, construction, or renovation of an approved venue project under this chapter.

(f)  The board must provide for the planning, acquisition, establishment, development, construction, or renovation of a venue project by resolution.

(g)  The resolution must designate each venue project and each method of financing authorized by this chapter that the district may use to finance each project.

(h)  A resolution under Subsection (f) may designate more than one method of financing.

(i)  The district may not undertake the venue project unless the resolution is approved by a majority of the qualified voters of the district voting at an election held for that purpose.

(j)  A venue project is exempt from taxation under Section 11.11, Tax Code, while the district owns the venue project.

Sec. 3990.0304.  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. 3990.0305.  LAW ENFORCEMENT SERVICES. To protect the public interest, the district shall undertake to contract with the city to provide law enforcement services in the district for a fee.

Sec. 3990.0306.  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. 3990.0307.  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. 3990.0308.  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. 3990.0309.  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. 3990.0310.  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. 3990.0311.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3990.0312.  PAYMENT IN LIEU OF TAXES. The district may enter into an agreement for payments in lieu of taxes with a taxing authority for property located in the district.

SUBCHAPTER D. ASSESSMENTS

Sec. 3990.0401.  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. 3990.0402.  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 may enforce an ad valorem tax lien against real property.

(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.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3990.0501.  TAX ELECTION REQUIRED. The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

Sec. 3990.0502.  OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under Section 3990.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by Section 49.107, Water Code, for any district purpose, including to:

(1)  maintain and operate the district;

(2)  construct or acquire improvements; or

(3)  provide a service.

(b)  The board shall determine the operation and maintenance tax rate. The rate may not exceed the rate approved at the election.

Sec. 3990.0503.  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 ad valorem taxes, assessments, sales taxes, 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 limitation on the outstanding principal amount of bonds, notes, or other obligations provided by Section 49.4645, Water Code, does not apply to the district.

(d)  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 improvements 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.

Sec. 3990.0504.  BONDS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds secured by:

(1)  revenue other than ad valorem taxes, including contract revenues; or

(2)  contract payments, provided that the requirements of Section 49.108, Water Code, have been met.

Sec. 3990.0505.  BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 3990.0501, the district may issue bonds payable from ad valorem taxes.

(b)  Section 375.243, Local Government Code, does not apply to the district.

(c)  At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

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

Sec. 3990.0506.  CONSENT OF MUNICIPALITY REQUIRED. (a) The board may not issue bonds until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

(b)  This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3990.0601.  APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b)  For the purposes of this subchapter, a reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Sec. 3990.0602.  ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if:

(1)  the city consents to the adoption of the tax; and

(2)  the tax is authorized by a majority of the voters of the district voting at an election held for that purpose.

(b)  Subject to city consent under Subsection (a), the board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c)  The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 49, Water Code.

(d)  The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Hutto Municipal Management District No. 1 at a rate not to exceed \_\_\_\_ percent" (insert rate of one or more increments of one-eighth of one percent).

Sec. 3990.0603.  SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section 3990.0602 at which the voters authorized imposition of a tax, the board shall provide by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b)  After the authorization of a tax under Section 3990.0602, the board may decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c)  The board may not decrease the rate of the tax if the decrease would impair the repayment of any outstanding debt or obligation payable from the tax.

(d)  The rate of the tax or any rate resulting from subsequent decreases may not exceed the lesser of:

(1)  the maximum rate authorized at the election held under Section 3990.0602; or

(2)  a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.

Sec. 3990.0604.  NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Sec. 3990.0605.  USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Sec. 3990.0606.  ABOLITION OF TAX. (a) The board may abolish the tax imposed under this subchapter without an election.

(b)  If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(c)  If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3990.0602 before the district may subsequently impose the tax.

SUBCHAPTER I. DISSOLUTION

Sec. 3990.0901.  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 or other indebtedness until that bonded or other indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonded or other indebtedness;

(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.

SECTION 2.  The Hutto Municipal Management District No. 1 initially includes all territory contained in the following area:

MMD District Metes and Bounds

From Start/End Point #1 (X = 3180310.306; Y = 10174718.926)

S 7° 22' 22" W, 894.326 Feet to Point #2 (X = 3180195.541; Y = 10173831.994)

S 8° 22' 47" W, 354.335 Feet to Point #3 (X = 3180143.902; Y = 10173481.442)

S 7° 15' 18" W, 2071.681 Feet to Point #4 (X = 3179882.279; Y = 10171426.347)

N 81° 44' 19" W, 1601.611 Feet to Point #5 (X = 3178297.288; Y = 10171656.482)

N 82° 50' 20" W, 1526.048 Feet to Point #6 (X = 3176783.144; Y = 10171846.722)

N 43° 22' 48" W, 70.987 Feet to Point #7 (X = 3176734.388; Y = 10171898.316)

N 8° 38' 31" E, 856.069 Feet to Point #8 (X = 3176863.022; Y = 10173012.405)

N 7° 58' 27" E, 270.353 Feet to Point #9 (X = 3176900.527; Y = 10173831.994)

S 77° 25' 32" W, 1199.841 Feet to Point #10 (X = 3175729.466; Y = 10172751.188)

N 3° 46' 54" E, 1165.972 Feet to Point #11 (X = 3175806.368; Y = 10173914.621)

N 24° 5' 20" W, 445.811 Feet to Point #12 (X = 3175624.408; Y = 10174321.608)

N 55° 51' 17" E, 531.521 Feet to Point #13 (X = 3176064.304; Y = 10174619.947)

N 71° 8' 51" E, 266.837 Feet to Point #14 (X = 3176316.826; Y = 10174706.171)

N 31° 40' 20" E, 532.079 Feet to Point #15 (X = 3176596.198; Y = 10175159.005)

N 33° 30' 14" E, 27.122 Feet to Point #16 (X = 3176611.169; Y = 10175181.621)

S 81° 46' 48" E, 2169.047 Feet to Point #17 (X = 3178757.928; Y = 10174871.504)

S 84° 23' 12" E, 1559.854 Feet to Start/End Point #1 (X = 3180310.306; Y = 10174718.926)

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.