By:  Anchía H.B. No. 2449

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Dallas 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 a new Chapter\_\_\_\_\_ to read as follows:

CHAPTER . DALLAS 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 Dallas Municipal Management District.

Sec. 3989.0102.  NATURE OF DISTRICT. The Dallas 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 consisting of the members of the Dallas City Council.

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. 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.

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.  IMPROVEMENTS. (a) Notwithstanding any other law, including Chapter 26, Parks and Wildlife Code, the district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain any improvement, structure, or facility for any use that accomplishes the purposes of this Act and that otherwise complies with the City’s zoning and land use regulations.

(b)  The sell or lease of any improvements or the sell or lease of any air rights, regardless of the terms or lengths of said conveyances are exempt from the provisions of Chapter 253, Local Government Code,

Sec. 3989.0309.  DISBURSEMENTS AND TRANSFERS OF MONEY. The board shall establish 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. (a) 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.

(b)  Chapter 272, Local Government Code, does not apply to the sell, lease, rental or conveyance of district 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, REGULATIONS, AND POWERS. Notwithstanding any other law the district may:

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

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

(3)  establish rules and regulations to minimize the effects of displacement and gentrification on nearby neighborhoods; and

(4)  establish rules and regulations to assist the residents of nearby neighborhoods with home repair assistance and property tax relief.

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 TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

SUBCHAPTER D. ASSESSMENTS

Sec. 3989.0401.  FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may finance a service or improvement project with assessments under this chapter.

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. REBATES, REFUNDS, AND PAYMENTS OF CERTAIN ELIGIBLE TAX PROCEEDS

(a)  For a period that may not exceed 10 years, a governmental body, including a municipality, county, or political subdivision, may agree to rebate, refund, or pay eligible taxable proceeds to the district that were generated or received from taxable entities within the district.

(b)  An agreement under this section must be in writing, contain an expiration date, and require the beneficiary to provide documentation necessary to support a claim.

(c)  A governmental body that makes an agreement under this section shall make the rebate, refund, or payment directly to the beneficiary.

(d)  In this section, "eligible taxable proceeds" means taxable proceeds generated, paid, or collected by any person or business located within the district, including hotel occupancy taxes, ad valorem taxes, sales and use taxes, and mixed beverage taxes.

(e)  Notwithstanding any other law, the comptroller shall deposit eligible taxable proceeds that were collected by or forwarded to the comptroller, and to which the district is entitled according to an agreement under this section, in trust in a separate suspense account of the project. A suspense account is outside the state treasury, and the comptroller may make a rebate, refund, or payment authorized by this section without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to each qualified hotel project eligible taxable proceeds to which the project is entitled under this section at least quarterly.

SUBCHAPTER G. EXPANSION OF DISTRICT

Sec. 3989.0601.  The board may at any time by resolution add land to the district that is contiguous to the district and owned by the City of Dallas.

SUBCHAPTER H. DISSOLUTION

Sec. 3989.0901.  DISSOLUTION. (a) The board by majority vote may dissolve the district at any time.

(b)  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 \_\_\_. Sec. . INCREMENTAL STATE TAX REVENUE. (a) In this section:

“Base year amount” means the amount of state tax revenue collected in the district during the calendar year in which the board designates a base year.

“Incremental state tax revenue” means the amount in any calendar year by which state tax revenue generated within the district exceeds the base year amount.

“State tax revenue” means the state sales and use taxes paid or collected within the district pursuant to Chapter 151, Tax Code; state hotel occupancy taxes paid or collected within the district pursuant to Chapter 156, Tax Code; and tax revenue collected from all permittees within the district under Chapter 183, Tax Code, excluding revenue disbursed by the comptroller under Section 183.051(b), Tax Code.

(b)  The board by resolution may designate a date to establish a base year. The district shall receive a rebate, refund, or payment of 100 percent of the incremental state tax revenue paid or collected within the district for the first 30 years after the year in which the board designates a base year. The comptroller shall deposit the taxes in trust in a separate suspense account of the district. A suspense account is outside the state treasury, and the comptroller may make a rebate, refund, or payment authorized by this section without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to the district all eligible incremental state tax revenue to which the district is entitled under this section at least quarterly.

(c)  The board may pledge the revenue received under this section for the payment of bonds or other obligations issued or incurred to acquire, lease, construct, and equip hotels and any facilities ancillary to the hotels, convention center entertainment-related facilities, restaurants, retail establishments, residential buildings, office buildings, educational and community facilities, infrastructure necessary for public transit, street and water and sewer infrastructure, sporting and entertainment venues, and parking facilities within the district.

SECTION \_\_\_.  The Dallas Municipal Management District is a noncontiguous district that initially includes all the territory that, as of the effective date of this Act, is owned by the City of Dallas and lies within the boundaries of the Dallas Zoo and Fair Park.

SECTION \_\_\_.  (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 \_\_\_.  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, 2023.