By:  Schofield (Senate Sponsor - Huffman) H.B. No. 5372

(In the Senate - Received from the House May 10, 2023; May 10, 2023, read first time and referred to Committee on Local Government; May 21, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 0; May 21, 2023, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Springer          X

Eckhardt          X

Gutierrez                   X

Hall              X

Nichols           X

Parker            X

Paxton            X

West                        X

COMMITTEE SUBSTITUTE FOR H.B. No. 5372 By:  Springer

A BILL TO BE ENTITLED

AN ACT

relating to the creation of The Grand Prairie Management District; 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 4005 to read as follows:

CHAPTER 4005. THE GRAND PRAIRIE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4005.0101.  DEFINITIONS. In this chapter:

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

(2)  "County" means Harris County.

(3)  "Director" means a board member.

(4)  "District" means The Grand Prairie Management District.

Sec. 4005.0102.  NATURE OF DISTRICT. The Grand Prairie Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 4005.0103.  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 county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 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 a municipality 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 municipal services provided in the district.

Sec. 4005.0104.  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, 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. 4005.0105.  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. 4005.0106.  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. 4005.0107.  APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4005.0108.  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. 4005.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Subchapter D, Chapter 49, Water Code.

(b)  Except as provided by Section 4005.0203, directors serve staggered four-year terms.

Sec. 4005.0202.  COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 4005.0203.  TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b)  The temporary or successor temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.

(c)  Temporary directors serve until the earlier of:

(1)  the date permanent directors are elected under Subsection (b); or

(2)  the fourth anniversary of the effective date of the Act creating this chapter.

(d)  If permanent directors have not been elected under Subsection (b) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Subsection (b); or

(2)  the fourth anniversary of the date of the appointment or reappointment.

(e)  If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 4005.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 4005.0302.  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. 4005.0303.  LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Sec. 4005.0304.  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. 4005.0305.  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. 4005.0306.  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. 4005.0307.  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. 4005.0308.  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. 4005.0309.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 4005.0401.  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. 4005.0402.  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. 4005.0501.  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. 4005.0502.  OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under Section 4005.0501, 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. 4005.0503.  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 bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, 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 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.

Sec. 4005.0504.  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. 4005.0505.  BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 4005.0501, 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. 4005.0506.  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, as required by applicable law.

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

SUBCHAPTER I. DISSOLUTION

Sec. 4005.0901.  DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of at least two-thirds of the assessed value of the property subject to assessment or taxation by the district based on 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.

SECTION 2.  The Grand Prairie Management District initially includes all territory contained in the following area:

TRACT 1: 39.38 acres.

Being a 39.38 acre tract of land located in the Edward R. Green Survey, Abstract No. 307, Harris County, Texas; said 39.38 acre tract being all of a called 39.365 acre tract recorded in the name of Betty Sue Dennison Stahman, Cathy Annette Dennison Felts, and the heirs/devisees of Bobby Gene Dennison under Clerk's File (C.F.) No. RP-2020-285720 of the Official Public Records of Real Property of Harris County (O.P.R.R.P.H.C.) (reference C.F. No. J223460 O.P.RR.P.H.C.); said 39.38 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System, North American Datum of 1983 (NAD83), South Central Zone):

Beginning at a 1-inch iron pipe found on the west right-of-way (R.O.W.) line of Warren Ranch Road (monumented and occupied as sixty-feet wide) on the north line of the James O'Brien Survey, Abstract No. 615, and the south line of said Edward R. Green Survey, at the northeast corner of a called 617.0 acre tract recorded in the name of Emptor Hockley LLC under C.F No. RP-2020-106668 of the O.P.R.R.P.H.C., for the southeast corner of said 39.365 acre tract and the herein described tract;

1.  THENCE, with the common line of said James O'Brien Survey and Edward R. Green Survey, being the north line of said 617.0 acre tract and the south line of said 39.365 acre tract, South 88 degrees 01 minutes 10 seconds West, a distance of 2,049.96 feet (called S89^55'13"W 2,050.10') to a 5/8-inch capped iron rod (COSTELLO) found at the southeast corner of a called 198.4 acre tract recorded in the name of Emptor Betka, LLC under C.F. No. RP-2020-616041 of the O.P.R.R.P.H.C., for the southwest corner of the herein described tract;

2.  THENCE, with the east line of said 198.4 acre tract, being the west line of said 39.365 acre tract, North 01 degrees 48 minutes 44 seconds West, a distance of 1,046.67 feet (called N00^04'57"E 1,046.77') to a set 5/8-inch capped iron rod (COSTELLO), at the southwest corner of a called 30 acre tract recorded in the name of F.E. Dennison under C.F. No. B746174 of the O.P.R.R.P.H.C., for the northwest corner of the herein described tract;

3.  THENCE, with the south line of said 30 acre tract being the north line of said 39.365 acre tract, North 87 degrees 51 minutes 54 seconds East, a distance of 808.07 feet (called N89^47'26"E 807.49') to a set 5/8-inch capped iron rod (COSTELLO) at the northwest corner of a called 10.000 acre tract recorded in the name of Victor Pascual under C.F. No. RP-2018-114889 of the O.P.R.R.P.H.C., for the northerly northeast corner of the herein described tract;

4.  THENCE, with the west line of said 10.000 acre tract, being the easterly line of said 39.365 acre tract, South 01 degrees 53 minutes 23 seconds East, a distance of 351.00 feet (called S00^00'40"W 351.00') to a set 5/8-inch capped iron rod (COSTELLO) at the southwest corner of said 10.000 acre tract, for an interior corner for the herein described tract;

5.  THENCE, with the south line of said 10.000 acre tract, being the north line of said 39.365 acre tract, North 87 degrees 51 minutes 54 seconds East, a distance of 1,241.03 feet (called N89^45'13"E 1,241.03') to a set 5/8-inch capped iron rod (COSTELLO) on the west R.O.W. like of said Warren Ranch Road, at the southeast corner of said 10.000 acre tract, for the easterly northeast corner of the herein described tract, from which a 1/2-inch capped iron rod (PRECISION) found at the northeast corner of said 10.000 acre tract, being the southeast corner of said 30 acre tract bears North 01 degrees 53 minutes 20 seconds West, a distance of 351.00 feet;

6.  THENCE, with the west R.O.W. line of said Warren Ranch Road, being the east line of said 39.365 acre tract, South 01 degrees 50 minutes 47 seconds East, a distance of 701.20 feet (called S00^00'40"W 701.21') to the Point of Beginning and containing 39.38 acres of land.

TRACT 2: 25.003 acres.

COMMENCING FOR REFERENCE: At a 1/2 inch iron rod set in the West line of Warren Ranch Road for the Northeast corner of the above 30 acre tract and the Southeast corner of a 20 acre tract (Volume 3317, Page 398 Deed Records), said point also being the Northeast corner of a 2.000 acre tract (Tract 1 being surveyed at the same time as this tract and not yet recorded);

THENCE: South 02° 29' 44" East a distance of 174.51 feet to a 1/2 inch iron pipe found in the West line of Warren Ranch Road and being the Northeast corner of a 1.0 acre tract (Clerk's File No. U766462) and being the Southeast comer of the 2.000 acre tract (Tract 1);

THENCE: South 02° 08' 51" East a distance of 183.33 feet to a 3/4 inch iron pipe found in the West line of Warren Ranch Road for the Southeast comer of the 1.0 acre tract and being the Easternmost Northeast corner and PLACE OF BEGINNING of the herein described tract;

THENCE: South 01° 48' 54" East a distance of 280.37 feet to a 1/2 inch iron rod found in the West line of Warren Ranch Road for the Southeast comer of both the herein described tract and the above 30 acre tract, said point being the Northeast comer of a 10.000 acre tract (Clerk's File No. RP-2018-114889);

THENCE: South 87° 54' 12" West at a distance of 1241.03 feet passing a 1/2 inch iron rod found 1.4 feet to the right for the Northwest comer of the 10.000 acre tract and a Northeast comer of a 39.365 acre tract (Clerk's File No. RP-2020-285720) and continuing on for a total distance of 2047.40 feet to a 1/2 inch iron rod set for the Southwest corner of both the herein described tract and the 30 acre tract, said point being the Northwest corner of the 39.365 acre tract located in the East line of a tract of land being part of a called 836.784 acre tract (Clerk's File No. Yl73252);

THENCE: North 02° 04' 03" West a distance of 638.10 feet to a 1/2 inch iron rod found for the Northwest comer of both the herein described tract and the 30 acre tract and being the Southwest corner of a 65.239 acre tract (Clerk's File No. RP-2020-175741) located in the East line of the 836.784 acre tract;

THENCE: North 87° 54' 02" East at a distance of 1133.69 feet passing a 4 inch iron pipe found for the Southeast corner of the 65.239 acre tract and the Southwest comer of the before mentioned 20 acre tract and continuing on for a total distance of 1438.49 feet to a 1/2 inch iron rod set for the Northernmost Northeast corner of the herein described tract located in the South line of the 20 acre tract, said point being the Northwest corner of the before mentioned 2.000 acre tract (Tract 1), from said point the commencing point described above bears North 87° 54' 02" East a distance of 608.59 feet;

THENCE: South 02° 08' 52" East at a distance of 122.82 feet passing a 1/2 inch iron rod set for the Westernmost Southwest comer of the 2.000 acre tract (Tract 1) and the Northwest comer of a 2.000 acre tract (Tract 2 being surveyed at the same time as this tract and not yet recorded), continuing on for a total distance of 357.20 feet to a 1/2 inch iron rod set for an interior corner of this tract and the Southwest corner of the 2.000 acre tract (Tract 2);

THENCE: North 87° 57' 38" East at a distance of 371.71 feet passing a 1/2 inch iron rod set for the Southeast corner of Tract 2 and the Southwest corner of the before mentioned 1.0 acre tract and continuing on for a total distance of 609.65 feet to the PLACE OF BEGINNING and containing 25.003 acres of land.

All bearings recited hereon are based on the West line of Warren Ranch Road running South 01° 48' 54" East.

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, 2023.

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