

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,

1 Texas Constitution, and other public purposes stated in this  
2 chapter.

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

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

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

18 Sec. 3989.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

19 (a) All land and other property included in the district will  
20 benefit from the improvements and services to be provided by the  
21 district under powers conferred by Sections 52 and 52-a, Article  
22 III, and Section 59, Article XVI, Texas Constitution, and other  
23 powers granted under this chapter.

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

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

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

3           (2) eliminating unemployment and underemployment;

4           (3) developing or expanding transportation and  
5 commerce;

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

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

10          (d) The district will:

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

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

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

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

26          (f) The district will not act as the agent or  
27 instrumentality of any private interest even though the district

1 will benefit many private interests as well as the public.

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

5 Sec. 3989.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

6 (a) All or any part of the area of the district is eligible to be  
7 included in:

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

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

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

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

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

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

1                   SUBCHAPTER B. BOARD OF DIRECTORS

2           Sec. 3989.0201. BOARD OF DIRECTORS; TERMS. The district is  
3 governed by a board consisting of the members of the Dallas City  
4 Council.

5                   SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

26           Sec. 3989.0304. LAW ENFORCEMENT SERVICES. To protect the  
27 public interest, the district may contract with a qualified party,

1 including the county or the city, to provide law enforcement  
2 services in the district for a fee.

3 Sec. 3989.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

4 The district may join and pay dues to a charitable or nonprofit  
5 organization that performs a service or provides an activity  
6 consistent with the furtherance of a district purpose.

7 Sec. 3989.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The

8 district may engage in activities that accomplish the economic  
9 development purposes of the district.

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

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

15 (2) provide district personnel and services.

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

19 (1) Chapter 380, Local Government Code; and

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

21 Sec. 3989.0307. IMPROVEMENTS. (a) Notwithstanding any

22 other law, including Chapter 26, Parks and Wildlife Code, the  
23 district may acquire, lease as lessor or lessee, construct,  
24 develop, own, operate, and maintain any improvement, structure, or  
25 facility for any use that accomplishes the purposes of this Act and  
26 that otherwise complies with the City's zoning and land use  
27 regulations.

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

5       Sec. 3989.0309. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
6 board shall establish the procedure required for a disbursement or  
7 transfer of district money.

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

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

14               (1) an improvement project;

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

16 or

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

18       (b) Chapter 272, Local Government Code, does not apply to  
19 the sell, lease, rental or conveyance of district property.

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

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

27       Sec. 3989.0314. CITY REQUIREMENTS. An improvement project

1 in the district must comply with any applicable requirements of the  
2 city, including codes and ordinances, unless specifically waived or  
3 superseded by agreement with the city.

4 Sec. 3989.0315. RULES, REGULATIONS, AND POWERS.

5 Notwithstanding any other law the district may:

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

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

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

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

17 Sec. 3989.0316. ENFORCEMENT OF REAL PROPERTY RESTRICTIONS.

18 The district may enforce a real property restriction in the manner  
19 provided by Section 54.237, Water Code, if, in the reasonable  
20 judgment of the board, the enforcement of the restriction is  
21 necessary.

22 Sec. 3989.0317. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM

23 ASSESSMENTS AND FEES. The district may not impose an assessment,  
24 impact fee, or standby fee on the property, including the  
25 equipment, rights-of-way, easements, facilities, or improvements,  
26 of:

27 (1) an electric utility or a power generation company



1 as defined by Section 31.002, Utilities Code;

2 (2) a gas utility, as defined by Section 101.003 or  
3 121.001, Utilities Code, or a person who owns pipelines used for the  
4 transportation or sale of oil or gas or a product or constituent of  
5 oil or gas;

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

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

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

12 Sec. 3989.0318. NO TOLL ROADS. The district may not  
13 construct, acquire, maintain, or operate a toll road.

14 SUBCHAPTER D. ASSESSMENTS

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

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

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

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

1 assessed;

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

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

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

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

17 Sec. 3989.0403. RESIDENTIAL PROPERTY NOT EXEMPT. Sections  
18 375.161 and 375.164, Local Government Code, do not apply to the  
19 district.

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

24 SUBCHAPTER E. BONDS

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

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

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

14 SUBCHAPTER F. REBATES, REFUNDS, AND PAYMENTS OF CERTAIN ELIGIBLE  
 15 TAX PROCEEDS

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

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

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

27 (d) In this section, "eligible taxable proceeds" means

1 taxable proceeds generated, paid, or collected by any person or  
2 business located within the district, including hotel occupancy  
3 taxes, ad valorem taxes, sales and use taxes, and mixed beverage  
4 taxes.

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

15 SUBCHAPTER G. EXPANSION OF DISTRICT

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

19 SUBCHAPTER H. DISSOLUTION

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

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

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

27 (2) has a contractual obligation to pay money until

1 that obligation has been fully paid in accordance with the  
2 contract; or

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

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

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

11 SECTION \_\_\_\_ . Sec. . INCREMENTAL STATE TAX REVENUE. (a) In  
12 this section:

13 "Base year amount" means the amount of state tax revenue collected  
14 in the district during the calendar year in which the board  
15 designates a base year.

16 "Incremental state tax revenue" means the amount in any calendar  
17 year by which state tax revenue generated within the district  
18 exceeds the base year amount.

19 "State tax revenue" means the state sales and use taxes paid or  
20 collected within the district pursuant to Chapter 151, Tax Code;  
21 state hotel occupancy taxes paid or collected within the district  
22 pursuant to Chapter 156, Tax Code; and tax revenue collected from  
23 all permittees within the district under Chapter 183, Tax Code,  
24 excluding revenue disbursed by the comptroller under Section  
25 183.051(b), Tax Code.

26 (b) The board by resolution may designate a date to  
27 establish a base year. The district shall receive a rebate, refund,

1 or payment of 100 percent of the incremental state tax revenue paid  
2 or collected within the district for the first 30 years after the  
3 year in which the board designates a base year. The comptroller  
4 shall deposit the taxes in trust in a separate suspense account of  
5 the district. A suspense account is outside the state treasury, and  
6 the comptroller may make a rebate, refund, or payment authorized by  
7 this section without the necessity of an appropriation. The  
8 comptroller shall rebate, refund, or pay to the district all  
9 eligible incremental state tax revenue to which the district is  
10 entitled under this section at least quarterly.

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

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

26 SECTION \_\_\_\_\_. (a) The legal notice of the intention to  
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a  
2 copy of this Act have been furnished to all persons, agencies,  
3 officials, or entities to which they are required to be furnished  
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5 Government Code.

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

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

13 (d) All requirements of the constitution and laws of this  
14 state and the rules and procedures of the legislature with respect  
15 to the notice, introduction, and passage of this Act have been  
16 fulfilled and accomplished.

17 SECTION \_\_\_\_\_. This Act takes effect immediately if it  
18 receives a vote of two-thirds of all the members elected to each  
19 house, as provided by Section 39, Article III, Texas Constitution.  
20 If this Act does not receive the vote necessary for immediate  
21 effect, this Act takes effect September 1, 2023.