

BILL ANALYSIS

C.S.H.B. 1723
By: Miles
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Harris County Improvement District No. 10 and the Five Corners Improvement District include commercial, industrial, and residential territory in the City of Houston. Interested parties note a need for a long-term plan for the Harris County Improvement District No. 10 to provide for structured revenue allocation and prioritizing of revenues across the district consistent with plans and strategies that would facilitate the redevelopment of the expansion area to ready that area for the anticipated City of Houston hosting of the 2017 Super Bowl. C.S.H.B. 1723 seeks to address that need.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1723 amends the Special District Local Laws Code to replace provisions providing for the division of the Harris County Improvement District No. 10 and requiring the district's board to adopt an order dividing the district into two districts not later than the 60th day after the effective date of the district's enabling legislation with provisions establishing that the district was divided into the Harris County Improvement District No. 10 and the Five Corners Improvement District as provided by certain legislation. The bill establishes that the Harris County Improvement District No. 10 includes all district territory not included in the Five Corners Improvement District and that the Five Corners Improvement District includes territory added to the district by certain legislation and any territory added by other law, in addition to all the territory included in state representative district 131 on the date the order of division was effective.

C.S.H.B. 1723 removes statutory language providing for the original district and the new district to each be governed by a board of seven voting directors and instead specifies that the Harris County Improvement District No. 10 and the Five Corners Improvement District are each governed by a board of nine voting directors. The bill establishes that a certain bill provision conforms the law relating to the number of directors serving on the board of the Five Corners Improvement District to reflect the number of directors serving on the bill's effective date and that the bill does not otherwise affect that board. The bill sets the terms of the members of the board of the Harris County Improvement District No. 10 serving on the bill's effective date who were appointed before that date to expire on the bill's effective date and provides for a new board composed of specified directors, staggered terms for those directors, and the appointment of

successor directors. The bill specifies that the Harris County Improvement District No. 10 and the Five Corners Improvement District have all the powers and duties of the district created by the original enabling legislation of the Harris County Improvement District No. 10 and any applicable subsequently enacted law.

C.S.H.B. 1723 requires the board of directors of the Harris County Improvement District No. 10, if the board adopts a certain order before January 1, 2017, that grants a petition for improvement projects or services financed through a 10-year assessment period, to create a 10-year plan for the management of the project or service and assessments. The bill requires the board to include in an order that levies such assessments the amount of annual installments during the 10-year assessment period and to also include in the order penalties and interest the district may collect on delinquent assessments. The bill sets out certain assessment distribution requirements for such a 10-year plan in order to provide sufficient funds for projects and programs dedicated to public improvements in preparation for the 2017 Super Bowl.

C.S.H.B. 1723 adds specified territory to the territory of the Harris County Improvement District No. 10.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1723 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. The heading to Chapter 3860, Special District Local Laws Code, is amended.	SECTION 1. Same as introduced version.
SECTION 2. Section 3860.001(2), Special District Local Laws Code, is amended.	SECTION 2. Same as introduced version.
SECTION 3. Section 3860.111, Special District Local Laws Code, is amended.	SECTION 3. Substantially the same as introduced version.
SECTION 4. Chapter 3860, Special District Local Laws Code, is amended.	SECTION 4. Same as introduced version.
SECTION 5. (a) The change in law made to Section 3860.111(d)(2), Special District Local Laws Code, by this Act conforms the law relating to the number of directors serving on the board of the Five Corners Improvement District to reflect the number of directors serving on the effective date of this Act. This Act does not otherwise affect that board.	SECTION 5. (a) The change in law made to Section 3860.111(d)(2), Special District Local Laws Code, by this Act conforms the law relating to the number of directors serving on the board of the Five Corners Improvement District to reflect the number of directors serving on the effective date of this Act. This Act does not otherwise affect that board.

(b) The terms of the members of the board of the Harris County Improvement District No. 10 serving on the effective date of this Act who were appointed under Chapter 3860, Special District Local Laws Code, before the effective date of this Act expire on the effective date of this Act. On the effective date of this Act, the board of directors of the Harris County Improvement District No. 10 is composed of the following directors:

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____
- (6) _____
- (7) _____
- (8) _____
- (9) _____

(c) The terms of the directors in positions (b)(2), (4), (6), and (8) of this section expire June 1, 2017.

(d) The terms of the directors in positions (b)(1), (3), (5), (7), and (9) of this section expire June 1, 2019.

(e) The mayor and members of the governing body of the City of Houston shall appoint successor directors as provided by Section 375.064, Local Government Code, and Section 3860.052, Special District Local Laws Code.

SECTION 6. Establishes **boundaries** for territory added to the Harris County Improvement District No. 10.

SECTION 7. 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, 2015.

(b) The terms of the members of the board of the Harris County Improvement District No. 10 serving on the effective date of this Act who were appointed under Chapter 3860, Special District Local Laws Code, before the effective date of this Act expire on the effective date of this Act. On the effective date of this Act, the board of directors of the Harris County Improvement District No. 10 is composed of the following directors:

- (1) Ed Wolfe
- (2) James Clayton Riley
- (3) Camille Foster
- (4) Tyler Fleming
- (5) Shalette Mitchell
- (6) Rodney Jones
- (7) Steven Valles
- (8) Jeremy Brown
- (9) Brandon Dudley

(c) The terms of the directors in positions (b)(2), (4), (6), and (8) of this section expire June 1, 2017.

(d) The terms of the directors in positions (b)(1), (3), (5), (7), and (9) of this section expire June 1, 2019.

(e) The mayor and members of the governing body of the City of Houston shall appoint successor directors as provided by Section 375.064, Local Government Code, and Section 3860.052, Special District Local Laws Code.

SECTION 6. Establishes **different boundaries** for territory added to the Harris County Improvement District No. 10.

SECTION 7. Same as introduced version.