

BILL ANALYSIS

C.S.H.B. 4136
By: Vo
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The International Management District was created to achieve a variety of purposes, including facilitating the redevelopment of several hundred acres of land in Houston, assisting in the repositioning of the area by cleaning up commercial corridors, addressing blighted conditions in certain parts of the district, providing a unified voice for the area to help address pedestrian and vehicular mobility, and increasing safety and security in the area. Interested parties assert that changes now need to be made to the law governing the district and to the district's territory in order to help other areas of Houston not currently included in the district that face certain economic development challenges and that would benefit from their inclusion in the district. C.S.H.B. 4136 seeks to address these issues.

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. 4136 amends the Special District Local Laws Code to increase the membership of the board of directors for the International Management District from 11 to 13 voting directors. The bill requires two voting directors to represent territory added to the district after March 1, 2015, prohibits a director from serving as the chair of the board for more than three consecutive two-year terms, and prohibits a director who has served as the chair of the board from serving as the chair again unless at least six years have passed since the last day of the director's most recent term as chair and the director is elected as chair by at least two-thirds of the serving directors. The bill removes the board's authority to change by resolution the number of voting directors on the board. The bill authorizes a majority of the directors after notice and hearing to remove a director for misconduct or failure to carry out the director's duties. The bill prohibits the board of directors from imposing an assessment on territory added to the district by an act of the legislature enacted after March 1, 2015, to finance a service or improvement project unless a written petition consenting to the imposition of assessments in the added territory has been filed with the board. The bill requires the petition to be signed by the owners of a majority of the assessed value of real property in the added territory subject to assessment according to the most recent certified tax appraisal roll for Harris County.

C.S.H.B. 4136 adds certain territory to the district and subjects the added territory to statutory provisions governing the district in the same manner as the original territory of the district is subject to those provisions, including provisions applicable to district assessments, with a certain

exception. The bill establishes that on the later of June 1, 2015, or the bill's effective date, the district's board is dissolved. The bill provides for the reconstitution of the board on the bill's effective date and for the composition, appointment, and terms of the reconstituted board. The bill requires the board, as reconstituted, to elect officers and a chair not later than the 60th day after the bill's effective date. The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

C.S.H.B. 4136 repeals Section 3849.052, Special District Local Laws Code.

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. 4136 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

SECTION 1. Section 3849.051, Special District Local Laws Code, is amended to read as follows:

Sec. 3849.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 13 [~~14~~] voting directors who serve staggered terms of four years, with [~~five or~~] six or seven directors' terms expiring June 1 of each odd-numbered year.

(b) Three voting directors must represent territory added to the district after March 1, 2015.

(c) A director may not serve as the chair of the board for more than six consecutive years.

(d) A director that served as the chair of the board before March 1, 2015, may not serve as the chair after that date

~~[The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors].~~

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 3849.051, Special District Local Laws Code, is amended to read as follows:

Sec. 3849.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 13 [~~14~~] voting directors who serve staggered terms of four years, with [~~five or~~] six or seven directors' terms expiring June 1 of each odd-numbered year.

(b) Two voting directors must represent territory added to the district after March 1, 2015.

(c) A director may not serve as the chair of the board for more than three consecutive two-year terms.

(d) A director who has served as the chair of the board may not serve as the chair again unless:

(1) at least six years have passed since the last day of the director's most recent term as chair; and

(2) the director is elected as chair by at least two-thirds of the serving directors

~~[The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors].~~

SECTION 2. Section 3849.053, Special District Local Laws Code, is amended to read as follows:

Sec. 3849.053. APPOINTMENT AND REMOVAL OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

(b) A majority of the directors after notice and hearing may remove a director for misconduct or failure to carry out the director's duties.

No equivalent provision.

SECTION 3. Section 3849.153, Special District Local Laws Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Except as provided by Subsection (c), the [The] petition must be signed by:

(1) 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 Harris County; or

(2) at least 50 owners of real property in the district, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

(c) The board may not impose an assessment on territory added to the district by an act of the legislature enacted after March 1, 2015, to finance a service or improvement project unless a written petition consenting to the imposition of assessments in the added territory has been filed with the board. The petition must be signed by the owners of a majority of the assessed value of real property in the added territory subject to assessment according to the most recent certified tax appraisal roll for Harris County.

SECTION 2. Section 3849.052, Special District Local Laws Code, is repealed.

SECTION 4. Same as introduced version.

SECTION 3. Establishes boundaries for the territory added by the bill to the International Management District.

SECTION 5. Establishes different boundaries for the territory added by the bill to the International Management District.

SECTION 4. The territory added to the International Management District by Section 3 of this Act is subject to Chapter 3849, Special District Local Laws Code, in the same manner that the original territory of the district is subject to that chapter, including provisions of that chapter applicable to district assessments.

SECTION 5. (a) On the later of June 1, 2015, or the effective date of this Act, the board of directors of the International Management District is dissolved.

(b) On the effective date of this Act, the board of directors of the International Management District is reconstituted and is composed of the following directors:

(1) Pos. No. Name of Director

- 1 Karen Loper
- 2 Thuy Vu
- 3 H. D. Chambers
- 4 Fred Bhandara
- 5 Wea Lee
- 6 Leeshan Birney
- 7 Stephen Le
- 8 Vican Tan Sun; and

(2) five directors appointed by the mayor and the members of the governing body of the City of Houston, as provided by Section 3849.053, Special District Local Laws Code.

(c) Notwithstanding the requirement in Section 3849.051, Special District Local Laws Code, as amended by this Act, that directors serve four-year terms:

(1) the terms of the directors of the International Management District serving

SECTION 6. Except as provided by Section 3849.153, Special District Local Laws Code, as amended by this Act, the territory added to the International Management District by Section 5 of this Act is subject to Chapter 3849, Special District Local Laws Code, in the same manner that the original territory of the district is subject to that chapter, including provisions of that chapter applicable to district assessments.

SECTION 7. (a) On the later of June 1, 2015, or the effective date of this Act, the board of directors of the International Management District is dissolved.

(b) On the effective date of this Act, the board of directors of the International Management District is reconstituted and is composed of the following directors:

Pos. No. Director

- 1 A director appointed under Subsection (c) of this section
- 2 Karen Loper
- 3 Thuy Vu
- 4 H. D. Chambers
- 5 Leeshan Birney
- 6 Vican Tan Sun
- 7 A director appointed under Subsection (c) of this section
- 8 Fred Bhandara
- 9 Stephen Le
- 10 Wea Lee
- 11 Be Nguyen
- 12 A director appointed under Subsection (c) of this section
- 13 A director appointed under Subsection (c) of this section

(c) Notwithstanding Section 3849.053, Special District Local Laws Code, the directors named in Subsection (b) of this section shall appoint directors to fill positions Nos. 1, 7, 12, and 13 in Subsection (b) of this section.

(d) Notwithstanding the requirement in Section 3849.051, Special District Local Laws Code, as amended by this Act, that directors serve four-year terms:

(1) the terms of the directors of the International Management District serving

in positions 1 through 4 as provided by Subsection (b) of this section expire June 1, 2017;

(2) the terms of the directors of the International Management District serving in positions 5 through 8 as provided by Subsection (b) of this section expire June 1, 2019; and

(3) the mayor and the members of the governing body of the City of Houston shall establish the terms of the remaining directors of the International Management District as necessary to maintain the staggered terms required by Section 3849.051, Special District Local Laws Code, as amended by this Act.

(d) Not later than the 30th day after the effective date of this Act, the board of directors of the International Management District, as reconstituted, shall elect officers and a chair.

SECTION 6. (a) The legislature validates and confirms all governmental acts and proceedings of the International Management District that were taken before the effective date of this Act. An act or proceeding may not be held invalid because the act or proceeding was not in accordance with Chapter 3849, Special District Local Laws Code, or other law.

(b) This section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 7. (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

in positions 1 through 6 as provided by Subsection (b) of this section expire June 1, 2017; and

(2) the terms of the directors of the International Management District serving in positions 7 through 13 as provided by Subsection (b) of this section expire June 1, 2019.

(e) Not later than the 60th day after the effective date of this Act, the board of directors of the International Management District, as reconstituted, shall elect officers and a chair.

SECTION 8. Same as introduced version.

SECTION 9. Same as introduced version.

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) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) 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 8. 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.

SECTION 10. Same as introduced version.