

BILL ANALYSIS

C.S.H.B. 4275
By: Lozano
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that an improvement district within the City of Ingleside would provide needed economic benefits. C.S.H.B. 4275 seeks to provide for the creation of such a district.

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. 4275 amends the Special District Local Laws Code to create the Ingleside Improvement District to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the annexation of land by the district, limited eminent domain powers, certain exempt residential property, and dissolution of the district. The bill sets out the district's powers and duties, which include powers for constructing and financing port facilities; the authority to undertake certain road projects; and, subject to certain requirements, the authority to issue obligations, borrow money, impose assessments, and impose property, operation and maintenance, and contract taxes. The bill prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all members elected to each house and establishes that the City of Ingleside is not required to pay a district obligation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4275 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. Subtitle C, Title 4, Special	SECTION 1. Subtitle C, Title 4, Special

District Local Laws Code, is amended by adding Chapter 3942 to read as follows:

CHAPTER 3942. INGLESIDE IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3942.001. DEFINITIONS.

Sec. 3942.002. NATURE OF DISTRICT.

Sec. 3942.003. PURPOSE; DECLARATION OF INTENT.

(a)

(b) 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.

(c)

Sec. 3942.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a)

(b)

(c)

(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;

(4) provide road, rail, and recreational

District Local Laws Code, is amended by adding Chapter 3794 to read as follows:

CHAPTER 3794. INGLESIDE IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3794.001. DEFINITIONS.

Sec. 3794.002. NATURE OF DISTRICT.

Sec. 3794.003. PURPOSE; DECLARATION OF INTENT.

(a)

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, education, safety, and the public welfare in the district.

(c)

Sec. 3794.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a)

(b)

(c)

(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;

(4) provide road and recreational facilities

facilities for the district;
(5) provide for water facilities, wastewater facilities, drainage facilities, canals, waterways, bulkheads, docks, levees, and other similar improvements or facilities for the district; and
(6) construct, operate, maintain, and improve navigable waterways, including the dredging of waterways, reclamation of land, and disposal of dredge materials.

(e)

(f)

(g) Rail facilities and improvements are:
(1) necessary and convenient for the use and implementation of the district's navigation facilities and improvements;
(2) necessary components of navigation facilities and improvements;
(3) considered to be navigation facilities and improvements; and
(4) necessary and convenient for the development and expansion of transportation in this state.

(h)

Sec. 3942.005. INITIAL DISTRICT TERRITORY.

Sec. 3942.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

Sec. 3942.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3942.008. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3942.051. GOVERNING BODY; TERMS.

Sec. 3942.052. DIRECTOR QUALIFICATIONS.

Sec. 3942.053. APPOINTMENT OF VOTING DIRECTORS.

for the district;
(5) provide for water facilities, wastewater facilities, drainage facilities, canals, waterways, bulkheads, docks, levees, and other similar improvements or facilities for the district;
(6) construct, operate, maintain, and improve navigable waterways, including the dredging of waterways, reclamation of land, and disposal of dredge materials; and
(7) provide land and infrastructure for educational facilities in the district.

(e)

(f)

(g)

Sec. 3794.005. INITIAL DISTRICT TERRITORY.

Sec. 3794.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

Sec. 3794.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3794.008. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3794.051. GOVERNING BODY; TERMS.

Sec. 3794.052. DIRECTOR QUALIFICATIONS.

Sec. 3794.053. APPOINTMENT OF VOTING DIRECTORS.

Sec. 3942.054. NONVOTING DIRECTORS.

Sec. 3942.055. QUORUM.

Sec. 3942.056. COMPENSATION.

Sec. 3942.057. INITIAL VOTING DIRECTORS. (a)

(b)

(c)

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3942.101. GENERAL POWERS AND DUTIES.

Sec. 3942.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3942.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3942.104. NONPROFIT CORPORATION.

Sec. 3942.105. AGREEMENTS; GRANTS.

Sec. 3942.106. LAW ENFORCEMENT SERVICES.

Sec. 3942.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3942.108. ECONOMIC DEVELOPMENT.

Sec. 3942.109. PARKING FACILITIES.

Sec. 3942.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Sec. 3942.111. NAVIGATION DISTRICT

Sec. 3794.054. NONVOTING DIRECTORS.

Sec. 3794.055. QUORUM.

Sec. 3794.056. COMPENSATION.

Sec. 3794.057. INITIAL VOTING DIRECTORS. (a)

(b)

(c) Substantially the same as introduced version.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3794.101. GENERAL POWERS AND DUTIES.

Sec. 3794.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3794.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3794.104. NONPROFIT CORPORATION.

Sec. 3794.105. AGREEMENTS; GRANTS.

Sec. 3794.106. LAW ENFORCEMENT SERVICES.

Sec. 3794.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3794.108. ECONOMIC DEVELOPMENT.

Sec. 3794.109. PARKING FACILITIES.

Sec. 3794.110. ANNEXATION OF LAND. (a) Subject to Subsection (b), the district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may not annex land in Nueces County or San Patricio County unless the Port of Corpus Christi Authority by ordinance or resolution consents to the annexation.

Sec. 3794.111. DISTRICT POWERS FOR

POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Sec. 3942.112. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Sec. 3942.113. AUTHORITY FOR ROAD PROJECTS.

Sec. 3942.114. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

(a)

(b)

(c)

Sec. 3942.115. CONSENT OF CITY REQUIRED.

Sec. 3942.116. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 3942.113; or

(2) a recreational facility as defined by Section 49.462, Water Code.

SUBCHAPTER D. GENERAL

CONSTRUCTING AND FINANCING PORT FACILITIES. (a) The district may exercise the powers of a navigation district provided by Sections 60.032 and 60.034 and Subchapters E, G, I, L, M, and N, Chapter 60, Water Code, for the construction, maintenance, and financing of port facilities in the district. For purposes of this section, a reference to a commission in Chapter 60, Water Code, means the board.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Sec. 3794.112. AUTHORITY FOR ROAD PROJECTS.

Sec. 3794.113. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

(a) Substantially the same as introduced version.

(b) Substantially the same as introduced version.

(c)

Sec. 3794.114. CONSENT OF CITY REQUIRED.

Sec. 3794.115. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district boundaries to acquire:

(1) a site for a water treatment plant, water storage facility, wastewater treatment plant, or wastewater disposal plant;

(2) a site for a park, swimming pool, or other recreational facility, as defined by Section 49.462, Water Code;

(3) an exclusive easement through a county regional park; or

(4) a site or easement for a road project.

SUBCHAPTER D. GENERAL

FINANCIAL PROVISIONS;
ASSESSMENTS

Sec. 3942.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3942.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3942.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3942.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3942.201. ELECTIONS REGARDING TAXES AND BONDS.

(a)

(b)

(c)

(d)

Sec. 3942.202. OPERATION AND MAINTENANCE TAX.

(a)

(b)

(c)

Sec. 3942.203. CONTRACT TAXES.

Sec. 3942.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

FINANCIAL PROVISIONS;
ASSESSMENTS

Sec. 3794.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3794.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3794.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3794.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3794.155. CERTAIN RESIDENTIAL PROPERTY EXEMPT. (a) Section 375.161, Local Government Code, applies to the district.

(b) To the extent of any conflict or inconsistency, Section 375.161, Local Government Code, prevails over any provision of this chapter.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3794.201. ELECTIONS REGARDING TAXES AND BONDS.

(a) Substantially the same as introduced version.

(b)

(c)

(d)

Sec. 3794.202. OPERATION AND MAINTENANCE TAX.

(a) Substantially the same as introduced version.

(b)

(c)

Sec. 3794.203. CONTRACT TAXES.

Sec. 3794.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a)

(b)

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3942.205. TAXES FOR BONDS.

Sec. 3942.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.

(a)

(b)

Sec. 3794.205. TAXES FOR BONDS.

Sec. 3794.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.

SUBCHAPTER F. DISSOLUTION

Sec. 3794.251. DISSOLUTION BY BOARD. The board by order may dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations.

Sec. 3794.252. DISSOLUTION BY PETITION AND ELECTION. (a) If the district has no outstanding indebtedness or contractual liabilities, the owners of a majority of the assessed value of property subject to assessment by the district may petition the board to call an election on the question of dissolving the district.

(b) On the board's receipt of a petition described by Subsection (a), the board shall call an election on the question of dissolving the district.

(c) If a majority of the voters of the district voting at an election called under Subsection (b) vote to dissolve the district, the board by order shall dissolve the district.

(d) After the date the district is dissolved, the district may not impose taxes.

Sec. 3794.253. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. (a) After the date the board orders the dissolution of the district, the board shall transfer ownership of all district property to the county, except as provided by Subsection (b).

(b) If, on the date on which the board orders the dissolution, more than 50 percent of the district territory is in a municipality, the board shall transfer ownership of the district's property to the municipality.

SECTION 2. Sets out the initial territory of the district.

SECTION 2. Same as introduced version.

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.

SECTION 3. Same as introduced version.

(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. (a) Section 3942.116, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

SECTION 4. Substantially the same as introduced version.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 3942, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 3942.116 to read as follows:

Sec. 3942.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. 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

SECTION 5. Same as introduced version.

III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.