

BILL ANALYSIS

Senate Research Center
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S.B. 1773
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DIGEST AND PURPOSE

The Texas Constitution currently provides for the creation of conservation and reclamation districts which are authorized to incur indebtedness to provide for permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of indebtedness. As proposed, S.B. 1773 creates the Port Bolivar Improvement District in order to enhance economic development in Port Bolivar.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Port Bolivar Improvement District in SECTION 1 (Section 376.464, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 376, Local Government Code, by adding Subchapter K, as follows:
SUBCHAPTER K. PORT BOLIVAR IMPROVEMENT DISTRICT

Sec. 376.451. CREATION AND NAME OF DISTRICT. Creates the Port Bolivar Improvement District (district) and authorizes the board of directors of the district (board), by resolution to change the district's name.

Sec. 376.452. DECLARATION OF INTENT. Provides that the creation of the district is necessary to promote and expand business opportunities and to create jobs in the Port Bolivar area of Galveston County. Provides that the creation of the district and this legislation do not relieve Galveston County (county) from providing the level of services, as of the effective date of this subchapter, to the area in the district or release the county from the obligations it has to provide services to that area. Provides that the district is created to supplement and not supplant the county services provided in the area in the district. Provides that the creation of the district is essential to accomplish the purposes of Section 52, Article III, Section 59, Article XVI, and Section 52-a, Article III, Texas Constitution, and other public purposes stated in this subchapter.

Sec. 376.453. DEFINITIONS. Defines "board," "county," and "district."

Sec. 376.454. BOUNDARIES. Sets forth boundaries of the district.

Sec. 376.455. FINDINGS RELATING TO BOUNDARIES. Provides legislative findings relating to boundaries.

Sec. 376.456. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides legislative findings of benefit and purpose.

Sec. 376.457. INITIAL DIRECTORS. Sets forth guidelines regarding the appointment of directors by the commissioners court of the county.

Sec. 376.458. CONFIRMATION ELECTION. Sets forth guidelines regarding an election to confirm the creation of the district.

Sec. 376.459. ELECTION OF DIRECTORS. Sets forth guidelines regarding an election to elect the initial permanent directors.

Sec. 376.460. BOARD OF DIRECTORS; TERMS. Provides that the district is governed by a board of five directors who serve staggered four-year terms, with two or three members' terms expiring July 1 of each even-numbered year.

Sec. 376.461. ADMINISTRATION OF BOARD. Provides that Sections 375.066-375.070 apply to the board as if it were established under Chapter 375.

Sec. 376.462. QUALIFICATIONS OF DIRECTOR. Sets forth eligibility requirements for directors. Provides that a person or entity that owns an interest in a general or limited partnership owning real property in the district or that has a lease of real property in the district with a remaining term of 10 years or more, excluding options, is considered to be an owner of real property for purposes of this section.

Sec. 376.463. GENERAL POWERS. Provides that the district has certain powers and duties.

Sec. 376.464. SPECIFIC POWERS AND LIMITATIONS. Authorizes the district to perform certain functions, including adopting rules for certain purposes. Prohibits the district from employing peace officers or imposing an ad valorem tax on property in the district. Authorizes the district, as if the district was a home-rule municipality with a population of more than 100,000, to perform certain functions.

Sec. 376.465. SPECIFIC POWERS RELATING TO IMPROVEMENTS. Authorizes an improvement project or service provided by the district to include certain items.

Sec. 376.466. RELATION TO OTHER LAW. Provides that, if a law referenced in Section 376.463 or referenced in Subchapter E, Chapter 375, is in conflict with or inconsistent with this subchapter, this subchapter prevails. Provides that a law referenced in Section 376.463 or Subchapter E, Chapter 375, that is not in conflict with or inconsistent with this subchapter is adopted and incorporated by reference and is authorized to be used by the district independently of each other.

Sec. 376.467. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

Sec. 376.468. CERTAIN RESIDENTIAL PROPERTY EXEMPT. Prohibits the district from imposing an impact fee or assessment on a single family residential property or a residential duplex, triplex, fourplex, or condominium.

Sec. 376.469. SALES AND USE TAX; EXCISE TAX. Defines "taxable items" and "use" for purposes of this section. Authorizes the district to impose a sales and use tax for the benefit of the district if authorized by a majority of the qualified voters of the district voting at an election called for that purpose. Provides that, if the district adopts the tax, a tax is imposed on the receipts from the sale at retail of taxable items in the district; and an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased or rented from a retailer during the period that the tax is effective in the district. Provides that the rate of the excise tax is the same as the rate of the sales tax portion of the tax applied to the sales price of the taxable items and is included in the sales tax.

Sec. 376.470. TAX ELECTION PROCEDURES. Sets forth guidelines regarding an election called by the board by order to adopt, change the rate of, or abolish a sales and use tax.

Sec. 376.471. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAX. Sets forth guidelines regarding the application, collection, administration, and enforcement of taxes and allocation of revenues under this subchapter.

Sec. 376.472. EFFECTIVE DATE OF TAX OR TAX CHANGE. Provides that the adoption of a tax rate or change in the tax rate takes effect after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election.

Sec. 376.473. TAX RATES. Authorizes the district to impose the sales and use tax under this subchapter in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of one percent.

Sec. 376.474. ABOLITION OF TAX RATE. Authorizes the board by order to abolish the local sales and use tax rate without an election.

Sec. 376.475. USE OF TAX. Authorizes taxes collected under this subchapter to be used only for the purposes for which the district was created.

Sec. 376.476. SUBMISSION OF ANNEXATION INFORMATION. Requires the board, by a certain date, to send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion.

Sec. 376.477. BONDS. Authorizes the board to issue bonds as provided by Subchapter J, Chapter 375. Authorizes the bonds issued by the district, in addition to the sources described in Subchapter J, Chapter 375, to be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from a specified portion of not more than one-half of the maximum sales and use tax amount authorized and approved by voters of the district under Section 376.470. Provides that Sections 375.207 and 375.208 do not apply to bonds issued under this section.

Sec. 376.478. CONTRACTING AUTHORITY. Authorizes the district to contract with any person to carry out the purposes of this subchapter on terms and for the period the board determines. Authorizes any person, including any type of governmental entity, to contract with the district to carry out the purposes of this subchapter.

Sec. 376.479. DISSOLUTION BY BOARD ORDER. Authorizes the board by order to dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations.

Sec. 376.480. DISSOLUTION BY PETITION OF OWNERS. Sets forth guidelines and requirements regarding the dissolution of the district by a written petition signed by the owners of 75 percent or more of the real property acreage in the district.

Sec. 376.481. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. Requires the board, after the board orders the dissolution of the district, to transfer ownership of all district property to the county, except as provided by Subsection (b). Requires the board, if, on the date on which the board orders the dissolution, more than 50 percent of the district territory is in a municipality, to transfer ownership of the district's property to the municipality.

SECTION 2. Provides legislative findings relating to procedural requirements.

SECTION 3. Effective date: upon passage or September 1, 2001.