

BILL ANALYSIS

Senate Research Center

H.B. 3706
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, the commissioners court of a county with a population of 400,000 or less, on petition of the owners of land and after conducting a public hearing, may enter an order creating a county development district (district) within such county. A district created pursuant to Chapter 383 (County Development Districts), Local Government Code, serves the public interest and public purpose of the State of Texas by promoting the economic welfare of the residents of this state by providing incentives for the location and development in certain counties of projects that attract visitors and tourists to such counties and that result in employment and economic activity. A district must conduct an election to confirm its creation and authorize the levy of a sales and use tax. A district has the power to acquire and dispose of projects, a municipal management district created under Chapter 375 (Municipal Management Districts in General), Local Government Code, not inconsistent with Chapter 383, Local Government Code, and to provide for general promotion and tourist advertising of a district.

H.B. 3706 authorizes a district to establish or administer a program to promote the attraction of visitors and tourists to a district and to promote employment, economic activity, and travel in a district. This bill allows the program to promote travel by county residents within the county. It would allow a district to appropriate its sales and use tax revenues collected under Chapter 383, Local Government Code, to a program, including for the making of grants and loans..

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle A, Title 10, Local Government Code, by adding Chapter 309, as follows:

CHAPTER 309. FILM DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 309.001. DEFINITIONS. Defines "board" and "district."

Sec. 309.002. NATURE OF DISTRICT. Provides that a film district (district) is a political subdivision of this state and a special district.

[Reserves Sections 309.003-309.050 for expansion.]

SUBCHAPTER B. CREATION

Sec. 309.051. CREATION BY POPULOUS MUNICIPALITY. Authorizes a municipality with a population of one million or more to create a district as provided by this subchapter to promote the film industry in a designated area in the municipality.

Sec. 309.052. HEARING. Requires a governing body, before creating a district, the governing body of a municipality to hold a hearing on the purposes and advisability of creating the district. Authorizes any interested person to speak at the hearing.

Sec. 309.053. ORDER CREATING DISTRICT; INITIAL DIRECTORS. (a) Authorizes a governing body by order, if a governing body finds that the municipality and the designated area would benefit from the district's creation, to create the district, after a hearing under Section 309.052.

(b) Requires the order to make certain specifications.

(c) Requires the initial directors' terms to be staggered, with as near as possible to half of the directors' terms expiring on the same date in not more than one year and the remainder expiring on the same date in not more than two years.

[Reserves Sections 309.054-309.100 for expansion.]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 309.101. GOVERNING BODY. Provides that a district is governed by a board of at least seven directors (board).

Sec. 309.102. TERMS. Provides that the directors serve staggered two-year terms.

Sec. 309.103. APPOINTMENT BY MUNICIPALITY. Requires the governing body of a municipality that creates a district to appoint the directors as provided by the order creating the district. Requires the directors to include certain persons.

Sec. 309.104. COMPENSATION; EXPENSES. Provides that a director is not entitled to compensation but is entitled to reimbursement for actual and necessary expenses.

Sec. 309.105. OFFICERS. Requires the board to elect a presiding officer, a secretary, a treasurer, and any other officers the board considers necessary.

[Reserves Sections 309.106-309.150 for expansion.]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 309.151. PROMOTION OF FILM INDUSTRY. Requires a district to promote the film industry in the district.

Sec. 309.152. PARTNERSHIP WITH LOCAL COMMUNITIES. Requires a district to act jointly with the municipality, local businesses, the film industry, and other local communities to promote the film industry in the district.

Sec. 309.153. INCENTIVES. Authorizes a district to provide incentives to promote the film industry in the district.

Sec. 309.154. DONATIONS; GRANTS. Authorizes a district to accept a donation or grant from any person for any district purpose.

Sec. 309.155. EXECUTIVE DIRECTOR; EMPLOYEES. Authorizes a district to hire an executive director and other employees.

[Reserves Sections 309.156-309.200 for expansion.]

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 309.201. BORROWING. Authorizes a district to borrow money from any person for any district purpose.

[Reserves Sections 309.202-309.250 for expansion.]

SUBCHAPTER F. DISSOLUTION

Sec. 309.251. DISSOLUTION. Authorizes a board to dissolve a district that has no debt.

SECTION 2. Amends Subchapter D, Chapter 383, Local Government Code, by adding Section 383.067, as follows:

Sec. 383.067. PROGRAM TO PROMOTE TOURISM. (a) Authorizes a district to establish or administer a program to promote the attraction of visitors and tourists to the district; and employment, economic activity, and travel in the district.

(b) Authorizes a district, as part of the program, to promote travel by county residents within the county.

(c) Authorizes a district to use taxes collected under Subchapter F (Sales and Use Tax) for a program created under this section or to make a loan or grant for a public purpose under Section 52-a (Loan or Grant of Public Money for Economic Development), Article III, Texas Constitution. Provides that a program under this section is a program under Section 52-a, Article III, Texas Constitution.

SECTION 3. Effective date: upon passage or September 1, 2007.