

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1400
By: Elkins (West)
Intergovernmental Relations
5/18/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 1400 amends current law relating to the boundaries and financing of public improvement districts designated by a municipality or county.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Attorney General in SECTION 5 (Section 372.031, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 372.003, Local Government Code, by adding Subsection (b-1), to authorize payment of expenses under Subsection (b)(14) (relating to authorizing a public improvement project to include payment of expenses incurred in the establishment, administration, and operation of the district) to also include expenses related to the operation and maintenance of mass transportation facilities.

SECTION 2. Amends Subchapter A, Chapter 372, Local Government Code, by adding Section 372.0035, as follows:

Sec. 372.0035. COMMON CHARACTERISTIC OR USE FOR PROJECTS IN CERTAIN MUNICIPALITIES. (a) Provides that this section only applies to a municipality that has a population of more than one million and a council-manager form of government and that is located wholly or partly in a county with a population of more than two million, and to a public improvement district established under this subchapter and solely composed of territory in which the only businesses are hotels with 100 or more rooms ordinarily used for sleeping.

(b) Authorizes a municipality to undertake a project that confers a special benefit on areas that share a common characteristic or use. Authorizes the areas to be noncontiguous.

(c) Provides that this section does not prohibit a municipality from or limit a municipality to establishing a district that includes a noncontiguous area authorized by this subchapter.

SECTION 3. Amends Subchapter A, Chapter 372, Local Government Code, by adding Section 372.0055, as follows:

Sec. 372.0055. DEFERRED ASSESSMENT; ESTIMATE. Requires the governing body of the municipality or county to estimate, if a proposed improvement under Section 372.005 (Petition) includes a deferred assessment, before holding the hearing required by Section 372.009 (Hearing), the appraised value of taxable real property liable for assessment in the district, and the cost of improvement.

SECTION 4. Amends Section 372.017(b), Local Government Code, to authorize the governing body to defer an assessment until a date the governing body specifies in the ordinance or order.

SECTION 5. Amends Subchapter A, Chapter 372, Local Government Code, by adding Section 372.031, as follows:

Section 372.031. FINDINGS PRIOR TO ISSUANCE OF CERTAIN BONDS OR OBLIGATIONS. (a) Requires the governing body of a municipality with a population of 250,000 or less or the governing body of a county with a population of 1 million or less issuing the bonds or obligations, prior to the issuance under this chapter of bonds or obligations wholly or partly payable from or secured by assessments, to find and determine the following:

(1) construction of all underground water, wastewater, and drainage facilities and roadways to serve the real property liable for assessments necessary to support the payment of the bonds or obligations is at least 95 percent complete, and

(2) construction of at least 25 percent of the houses or other buildings on the real property liable for assessments and necessary to support the bonds or obligations has been completed.

(b) Requires a municipality with a population of more than 250,000 or a county with a population of more than 1 million issuing the bonds or obligations to obtain an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property liable for assessments and necessary to support the payment of the bonds or obligations.

(c) Provides that Subsections (a) and (b) do not apply to general obligation bonds or certificates of obligations.

(d) Requires the attorney general to adopt rules to enforce this section and to ensure the integrity and economic feasibility of bonds or obligations issued under this chapter.

SECTION 6. Amends Section 372.041(a), Local Government Code, to authorize a home-rule municipality to create improvement districts for certain purposes, including financing an improvement described in Subchapter A (Public Improvement Districts).

SECTION 7. Effective date: September 1, 2011.