

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1723
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Intergovernmental Relations
5/25/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4134, 80th Legislature, Regular Session, 2007, created Harris County Improvement District No. 10 (HCID No. 10), comprising a total of 18 square miles of commercial, industrial, and residential territory south of Loop 610 within the corporate limits of the City of Houston. The boundaries of this single, very large municipal management district encompassed portions of the legislative districts of Representative Borris Miles and Representative Alma Allen, who at the time the enabling legislation was being developed agreed to include language in the bill requiring HCID No. 10 to split into two separate districts within 60 days of the bill's effective date. The action to split the district into two parts was finally approved by the board on April 24, 2008, creating the Five Corners Improvement District. That action was subsequently validated by approval of H.B. 4795, in the 81st Legislature in 2009, sponsored by Representative Alma Allen, which also expanded the Five Corners Improvement District.

C.S.H.B. 1723 expands the area in Harris County Improvement District No. 10 (HCID No. 10). HCID No. 10 currently comprises a total of 18 square miles of commercial, industrial and residential territory south of Loop 610 within the corporate limits of the City of Houston. The expansion will consist of the South Main commercial corridor and surrounding area not already inside a management district.

C.S.H.B. 1723 will also do the following: allow the district to set out the district's 10-year assessment plan; require 60 percent of the property owners in the annex territory to sign a petition before the district can annex the territory; and require 60 percent of the property owners to sign a petition before the board can begin the process of doing an assessment of property owners.

C.S.H.B. 1723 amends current law relating to the territory included in, the composition of the board of directors of, and the method of assessment of the Harris County Improvement District No. 10 and to clarifying the law to reflect the prior division of the district.

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 the heading to Chapter 3860, Special District Local Laws Code, to read as follows:

CHAPTER 3860. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 10 AND FIVE CORNERS IMPROVEMENT DISTRICT

SECTION 2. Amends Section 3860.001(2), Special District Local Laws Code, to redefine "district" to mean the Harris County Improvement District No. 10 or the Five Corners Improvement District, as appropriate.

SECTION 3. Amends Section 3860.111, Special District Local Laws Code, as follows:

Sec. 3860.111. DIVISION OF DISTRICT. (a) Provides that, as provided by Chapter 968, Acts of the 80th Legislature, Regular Session, 2007, and Chapter 1091, Acts of the 81st Legislature, Regular Session, 2009, the district was divided into the Harris County Improvement District No. 10 and the Five Corners Improvement District. Deletes existing text requiring that the district be divided into two districts only if the district is not imposing ad valorem taxes.

(b) Provides that the Harris County Improvement District No. 10 includes all district territory not included in the Five Corners Improvement District. Deletes existing text requiring the board to adopt an order dividing the district into two districts, not later than the 60th day after the effective date of the Act creating this chapter. Deletes existing text providing that the original district includes all district territory not included in the new district.

(c) Creates this subsection from existing text. Provides that the Five Corners Improvement District, rather than the new district, includes:

(1) all the territory included in state representative district 131 on the date the order of division was, rather than is, effective;

(2) territory added to the district by Chapter 1091, Acts of the 81st Legislature, Regular Session, 2009; and

(3) any territory added by other law.

(d) Provides that, notwithstanding Section 3860.051(a), the Harris County Improvement District No. 10 is governed by a board of nine voting directors and the Five Corners Improvement District is governed by a board of nine voting directors. Deletes existing text providing that neither district may request consent to its creation from the City of Houston until the order dividing the district is adopted.

(e) Redesignates existing Subsection (f) as Subsection (e). Provides that the Harris County Improvement District No. 10 and the Five Corners Improvement District have, rather than the new district has, all the powers and duties of the district created by Chapter 968, Acts of the 80th Legislature, Regular Session, 2007, and any applicable subsequently enacted law.

Deletes existing text providing that, after the division of the district, the original district is governed by a board of seven voting directors consisting of the directors appointed to positions eight through 14 and the new district is governed by a board of seven voting directors consisting of the directors appointed to positions one through seven of the original district.

Deletes existing text requiring that an order dividing the district name the new district, describe the boundaries of the new district, name the initial directors of the new district, and divide the assets and liabilities in any manner between the new district and the original district.

Deletes existing text requiring the district to file the order with the Texas Commission on Environmental Quality and record the order in the real property records of Harris County, not later than the 10th day after the date the board adopts the order.

SECTION 4. Amends Chapter 3860, Special District Local Laws Code, by adding Subchapter E-1, as follows:

SUBCHAPTER E-1. FINANCIAL PROVISIONS FOR HARRIS COUNTY
IMPROVEMENT DISTRICT NO. 10

Sec. 3860.221. APPLICABILITY. Provides that this subchapter applies to the Harris County Improvement District No. 10. Provides that this subchapter does not apply to the Five Corners Improvement District.

Sec. 3860.222. PETITION REQUIREMENTS. Requires a petition requesting a service or improvement project financed by assessment, notwithstanding Section 3860.202(b), to be signed by the owners of at least 60 percent 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.

Sec. 3860.223. ASSESSMENT DISTRIBUTION. Sets forth apportionments required by the 10-year plan to provide for sufficient funds for projects and programs dedicated to public improvements in preparation for the 2017 Super Bowl.

SECTION 5. (a) Provides that the change in law made to Section 3860.111(c)(2), Special District Local Laws Code, by this Act conforms the law relating to the number of directors serving on the board of the Five Corners Improvement District to reflect the number of directors serving on the effective date of this Act. Provides that this Act does not otherwise affect that board.

(b) Provides that the terms of the members of the board of the Harris County Improvement District No. 10 serving on the effective date of this Act who were appointed under Chapter 3860, Special District Local Laws Code, before the effective date of this Act expire on the effective date of this Act. Provides that, on the effective date of this Act, the board of directors of the Harris County Improvement District No. 10 is composed of certain named directors. Sets forth the list of directors.

(c) and (d) Sets forth the terms of the directors.

(e) Requires that the mayor and members of the governing body of the City of Houston appoint successor directors as provided by Section 375.064 (Recommendations for Succeeding Board), Local Government Code, and Section 3860.052 (Appointment of Directors), Special District Local Laws Code.

SECTION 6. (a) Provides that the territory in Harris County described by Subsection (b) of this section is added to the territory of the Harris County Improvement District No. 10 only if the board of the district receives a petition requesting that the described territory be included in the district that is signed by the owners of at least 60 percent of the assessed value of real property in the described territory that would be subject to assessment by the district if included in the district, according to the most recent certified tax appraisal roll for Harris County. Requires the board to file the petition for record with the office of the county clerk of Harris County and adopt an order confirming the addition of the territory if the board receives a petition described by this section.

(b) Sets forth certain territory in Harris County that is added to the territory of the Harris County Improvement District No. 10.

SECTION 7. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 8. Effective date: upon passage or September 1, 2015.