

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 1691  
By: Ellis  
Intergovernmental Relations  
5/11/2015  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 80th Legislature via H.B. 4134 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 Rep. Borris Miles and Rep. 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 Rep. Alma Allen, which bill also expanded the Five Corners Improvement District.

C.S.S.B. 1691 expands the boundaries of HCID No.10 to the South Main commercial corridor and surrounding area not already inside a management district. The addition of the area will promote business development and community improvement in the areas surrounding NRG Stadium

C.S.S.B. 1691 would also authorize the adoption of a ten-year plan for HCID No.10 that will provide for a structured revenue allocation, prioritize revenues across the district consistent with redevelopment plans and develop strategies that would facilitate the expansion area initially to ready that area for the anticipated City of Houston hosting of the 2017 Super Bowl, and shifting majority focus to the original district area afterward.

C.S.S.B. 1691 amends current law relating to the territory included in, the composition of the board of directors of, the method of assessment of the Harris County Improvement District No. 10, and to clarify 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 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. 10-YEAR PLAN. (a) Requires the board to create a 10-year plan for the management of the project or service and assessments if the board adopts an order under Section 375.116, Local Government Code, before January 1, 2017, that grants a petition for improvement projects or services financed through a 10-year assessment period.

(b) Sets forth information required to be included in an order that levies assessment described by Subsection (a).

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(d)(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 directors. Sets forth the list of directors.

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

(e) Provides that the mayor and members of the governing body of the City of Houston shall 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. Sets forth certain territory in Harris County that is added to the territory of the Harris County Improvement District No.10.

SECTION 7. Effective date: upon passage or September 1, 2015.