

BILL ANALYSIS

Senate Research Center
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S.B. 2505
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2505 is an act that will update H.B. 3562, passed during the 78th Legislature in 2003, and S.B. 2268, passed during the 85th Legislature in 2017. H.B. 3562 provided for the creation, administration, powers, duties, operation, and financing of the Southwest Montgomery County Improvement District (district). S.B. 2268 changed the name of the district to Westwood Magnolia Parkway Improvement District and provided other updates to the district's boundaries, the number and qualifications of the board of directors, and to the district's ability to contract for and reduce its sales and use tax in overlapping political subdivisions that also impose a local sales and use tax so that the combined rate of the local sale and use taxes is consistent with the statutory approved limits.

The district was established to develop, encourage, and maintain employment, commerce, and economic development, enhance the quality of life, and promote the public health, safety and welfare in the district. It has adopted the motto "Building Today's Infrastructure for Tomorrow's Business." Since its establishment, the district has increased staffing and funded equipment for the Montgomery County Sheriff's Department substation in the Westwood Village Shopping Center, including three full-time deputies and patrol vehicles, which has drastically improved response times and helped deter crime in the district. The district has also purchased a ladder truck for the Magnolia Volunteer Fire Department and has installed fireplugs to improve safety and to increase ISO ratings. The district extended Research Forest Drive from Branch Crossing Drive to Egypt Road, which aids traffic flow and provides a convenient route for Woodlands shoppers to patronize district businesses. Additional road construction has expanded Honea Egypt Road to five lanes, adding a traffic signal and a turning lane, which has enhanced the safety of school and shopping traffic and increased revenues to businesses in the area by greater than 10 percent. Furthermore, the Texas Department of Transportation, Montgomery County, the City of Conroe, Magnolia ISD, and other local entities are partnering with the district for additional future road/mobility, drainage, landscaping and beautification, community grant, and related improvements and services throughout the area.

S.B. 2505 codifies certain clarifications to the district's powers and director qualifications so they are consistent with the Government Code and Water Code with other similar special purpose districts, and S.B. 2505 codifies the successful growth of the district with updated metes and bounds consistent with the ongoing and proposed addition of commercial properties along its major thoroughfare FM 1488 so the district can continue to partner with the city, county, and state for roadway and similar improvements.

S.B. 2505 amends current law relating to the powers, duties, and governance of the Westwood Magnolia Parkway Improvement District and updates its metes and bounds description for territory being currently added.

As proposed, S.B. 2505 amends current law relating to the powers, duties, and governance of the Westwood Magnolia Parkway Improvement District and provides authority to impose taxes and issue bonds.

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 Sections 9(e) and (f), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

(e) Requires a person, to be eligible to serve as a director on the board of directors of the Westwood Magnolia Parkway Improvement District (board; district), to be at least 18 years old and;

(1)–(5) makes no changes to these subdivisions; or

(6) an appointee, rather than an agent, employee, officer, or director of any individual, corporation, trust, or partnership that owns or leases real property described by Subdivision (1), (2), (3), (4), or (5) of this subsection who is designated by the owner or lessee to serve as a director.

(f) Prohibits a person from being appointed as a director under Subsection (b) of this section and from serving as a director if:

(1) the appointment would cause more than two directors to be appointees, employees, officers, or directors of the same individual, corporation, trust, or partnership that owns or leases property in the district, rather than if the appointment would cause more than two members of the board to be an agent, employee, officer, or director of the same individual, corporation, trust, or partnership that owns or leases property in the district.

(2) the person serves on the board of directors of the same nonprofit organization as another district director; or

(3) the person serves on the board of directors of a homeowners or property owners association or chamber of commerce, rather than the proposed director serves on board of directors of a nonprofit organization, such as a homeowners association or chamber of commerce, that serves any purpose similar to those of the district, including economic development, and serves a geographic territory that encompasses any part of the district.

SECTION 2. Amends Section 12, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 12. New heading: SWORN STATEMENT, BOND, AND OATH OF OFFICE. Provides that each director is required make a sworn statement, take the oath of office, and execute a bond as provided by Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, rather than providing that a director is not required to execute a bond as required by Section 375.067 (Director's Bond and Oath), Local Government Code.

SECTION 3. Amends Section 22, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 22. PUBLIC SECURITY. Provides that Section 49.216, Water Code, applies to the district. Deletes existing text prohibiting the district from employing peace officers, but authorizing it to contract for off-duty peace officers to provide public safety and security services in connection with security needs in commercial office, retail, or industrial areas and in connection with a special event, holiday, or other period with high traffic congestion, or similar circumstance.

SECTION 4. Amends Sections 25(a) and (b), Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

(a) Authorizes the board to add or exclude territory in the manner provided by Subchapter J, Chapter 49, and Section 54.0165 (Addition to District of Land in Extraterritorial Jurisdiction of Municipality), rather than 54.016 (Consent of City), Water Code, except that:

(1) makes no change to this subdivision;

(2) Section 42.0425 (Addition of Land in Extraterritorial Jurisdiction of Municipality to Certain Political Subdivisions), Local Government Code, and Section 54.0165 (Addition to District of Land in Extraterritorial Jurisdiction of Municipality), Water Code, rather than Section 42.042 (Creation of Political Subdivision to Supply Water or Sewer Services, Roadways, or Drainage Facilities in Extraterritorial Jurisdiction), Local Government Code, and Section 54.016 (Consent of City), Water Code, apply only with respect to the consent of a municipality with a population of 25,000 or less and do not apply to the annexation of land restricted primarily to commercial or business use; and

(3) makes no changes to this subdivision.

(b) Provides that the territory of the district that is annexed by a municipality for full purposes is no longer a part of the district effective on the date the municipality imposes a sales and use tax in the territory, rather than providing that territory of the district that is annexed by a municipality is no longer a part of the district effective on the date the municipality may impose a sales and use tax in the territory.

SECTION 5. Amends Section 29, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 29. INTERLOCAL AGREEMENTS. (a) Authorizes the district and a local government as defined by Chapter 791 (Interlocal Cooperation Contracts), Government Code, to enter into an interlocal agreement, rather than authorizing the district and municipality, any part of which is located in the boundaries of the district or impact area defined as provided by Section 17 of this Act, to enter into an interlocal agreement, to:

(1) accomplish an improvement project; or

(2) provide for a facility, service, or equipment from the district for the benefit of the local government, rather than municipality.

(b) Authorizes payment for an improvement project, facility, service, or equipment agreed to under this section to be made or pledged by a municipality to the district out of any money the municipality collects under Chapter 351, Tax Code, or of any other available money.

SECTION 6. Amends Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, to add territory to the district.

SECTION 7. Amends Section 5, Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 5. FINDINGS RELATING TO BOUNDARIES. Provides that the boundaries and field notes of the district as described by Sections 4A and 4B, rather than 4A of this Act, form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1)–(4) makes no changes to these subdivisions.

SECTION 8. Provides that the changes in law made by this Act do not affect the entitlement of a member serving on the board of directors of the district immediately before the effective date of this Act to continue to serve as a member of the board for the remainder of the member's term.

SECTION 9. (a) Provides that all requirements of the constitution and 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 10. Effective date: September 1, 2019.