

1-1 By: Creighton S.B. No. 2271
 1-2 (In the Senate - Filed April 11, 2017; April 12, 2017, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; May 2, 2017, reported favorably by the following vote:
 1-5 Yeas 7, Nays 0; May 2, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of Port Neches Improvement District;
 1-18 providing authority to issue bonds; providing authority to impose
 1-19 assessments, fees, or taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-22 Code, is amended by adding Chapter 3956 to read as follows:

1-23 CHAPTER 3956. PORT NECHES IMPROVEMENT DISTRICT
 1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 3956.001. DEFINITIONS. In this chapter:

- 1-26 (1) "Board" means the district's board of directors.
- 1-27 (2) "City" means the City of Port Neches.
- 1-28 (3) "County" means Jefferson County.
- 1-29 (4) "Director" means a board member.
- 1-30 (5) "District" means the Port Neches Improvement

1-31 District.

1-32 Sec. 3956.002. NATURE OF DISTRICT. The Port Neches
 1-33 Improvement District is a special district created under Section
 1-34 59, Article XVI, Texas Constitution.

1-35 Sec. 3956.003. PURPOSE; DECLARATION OF INTENT. (a) The
 1-36 creation of the district is essential to accomplish the purposes of
 1-37 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-38 Texas Constitution, and other public purposes stated in this
 1-39 chapter. By creating the district and in authorizing the city, the
 1-40 county, and other political subdivisions to contract with the
 1-41 district, the legislature has established a program to accomplish
 1-42 the public purposes set out in Section 52-a, Article III, Texas
 1-43 Constitution.

1-44 (b) The creation of the district is necessary to promote,
 1-45 develop, encourage, and maintain employment, commerce,
 1-46 transportation, housing, tourism, recreation, the arts,
 1-47 entertainment, economic development, safety, and the public
 1-48 welfare in the district.

1-49 (c) This chapter and the creation of the district may not be
 1-50 interpreted to relieve the city or the county from providing the
 1-51 level of services provided as of the effective date of the Act
 1-52 enacting this chapter to the area in the district. The district is
 1-53 created to supplement and not to supplant city or county services
 1-54 provided in the district.

1-55 Sec. 3956.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-56 (a) The district is created to serve a public use and benefit.

1-57 (b) All land and other property included in the district
 1-58 will benefit from the improvements and services to be provided by
 1-59 the district under powers conferred by Sections 52 and 52-a,
 1-60 Article III, and Section 59, Article XVI, Texas Constitution, and
 1-61 other powers granted under this chapter.

2-1 (c) The creation of the district is in the public interest
2-2 and is essential to further the public purposes of:
2-3 (1) developing and diversifying the economy of the
2-4 state;
2-5 (2) eliminating unemployment and underemployment; and
2-6 (3) developing or expanding transportation and
2-7 commerce.
2-8 (d) The district will:
2-9 (1) promote the health, safety, and general welfare of
2-10 residents, employers, potential employees, employees, visitors,
2-11 and consumers in the district, and of the public;
2-12 (2) provide needed funding for the district to
2-13 preserve, maintain, and enhance the economic health and vitality of
2-14 the district territory as a community and business center;
2-15 (3) promote the health, safety, welfare, and enjoyment
2-16 of the public by providing pedestrian ways and by landscaping and
2-17 developing certain areas in the district, which are necessary for
2-18 the restoration, preservation, and enhancement of scenic beauty;
2-19 (4) provide for road and recreational facilities for
2-20 the district; and
2-21 (5) provide for water, wastewater, drainage, canals,
2-22 waterways, bulkheads, docks, and other similar improvement
2-23 facilities for the district.
2-24 (e) Pedestrian ways along or across a street, whether at
2-25 grade or above or below the surface, and street lighting, street
2-26 landscaping, parking, and street art objects are parts of and
2-27 necessary components of a street and are considered to be a street
2-28 or road improvement.
2-29 (f) The district will not act as the agent or
2-30 instrumentality of any private interest even though the district
2-31 will benefit many private interests as well as the public.
2-32 Sec. 3956.005. DISTRICT TERRITORY. (a) The district is
2-33 initially composed of the territory described by Section 2 of the
2-34 Act enacting this chapter.
2-35 (b) The boundaries and field notes contained in Section 2 of
2-36 the Act enacting this chapter form a closure. A mistake in the
2-37 field notes or in copying the field notes in the legislative process
2-38 does not affect the district's:
2-39 (1) organization, existence, or validity;
2-40 (2) right to issue any type of bonds for the purposes
2-41 for which the district is created or to pay the principal of and
2-42 interest on the bonds;
2-43 (3) right to impose or collect an assessment or tax; or
2-44 (4) legality or operation.
2-45 Sec. 3956.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-46 All or any part of the area of the district is eligible to be
2-47 included in:
2-48 (1) a tax increment reinvestment zone created under
2-49 Chapter 311, Tax Code;
2-50 (2) a tax abatement reinvestment zone created under
2-51 Chapter 312, Tax Code;
2-52 (3) an enterprise zone created under Chapter 2303,
2-53 Government Code; or
2-54 (4) an industrial district created under Chapter 42,
2-55 Local Government Code.
2-56 Sec. 3956.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-57 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-58 Chapter 375, Local Government Code, applies to the district.
2-59 Sec. 3956.008. LIBERAL CONSTRUCTION OF CHAPTER. This
2-60 chapter shall be liberally construed in conformity with the
2-61 findings and purposes stated in this chapter.
2-62 SUBCHAPTER B. BOARD OF DIRECTORS
2-63 Sec. 3956.051. GOVERNING BODY; TERMS. The district is
2-64 governed by a board of seven voting directors who serve staggered
2-65 terms of two years, with three or four directors' terms expiring
2-66 June 1 of each year.
2-67 Sec. 3956.052. ELIGIBILITY OF DIRECTORS. A person is
2-68 eligible to serve as a voting or nonvoting director only if the
2-69 person is eligible to register to vote under Section 13.001,

3-1 Election Code.
 3-2 Sec. 3956.053. APPOINTMENT OF VOTING DIRECTORS. The
 3-3 governing body of the city, including the mayor, shall appoint the
 3-4 voting directors. A person is appointed if a majority of the
 3-5 members of the governing body vote to appoint that person.

3-6 Sec. 3956.054. NONVOTING DIRECTORS. The board may appoint
 3-7 nonvoting directors to serve at the pleasure of the voting
 3-8 directors.

3-9 Sec. 3956.055. QUORUM. For purposes of determining the
 3-10 requirements for a quorum of the board, the following are not
 3-11 counted:

3-12 (1) a board position vacant for any reason, including
 3-13 death, resignation, or disqualification;

3-14 (2) a director who is abstaining from participation in
 3-15 a vote because of a conflict of interest; or

3-16 (3) a nonvoting director.

3-17 Sec. 3956.056. COMPENSATION. A director is entitled to
 3-18 receive fees of office and reimbursement for actual expenses as
 3-19 provided by Section 49.060, Water Code. Sections 375.069 and
 3-20 375.070, Local Government Code, do not apply to the board.

3-21 Sec. 3956.057. INITIAL VOTING DIRECTORS. (a) The initial
 3-22 board consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
3-24 <u>1.</u>	<u>David LeJeune</u>
3-25 <u>2.</u>	<u>Leslie Symmonds</u>
3-26 <u>3.</u>	<u>Olin Clotiaux</u>
3-27 <u>4.</u>	<u>Doug Savant</u>
3-28 <u>5.</u>	<u>Lance Bradley</u>
3-29 <u>6.</u>	<u>Kathy Levingston</u>
3-30 <u>7.</u>	<u>Aspen Hebert</u>

3-31 (b) Of the initial directors, the terms of directors
 3-32 appointed for positions one through four expire June 1, 2018, and
 3-33 the terms of directors appointed for positions five through seven
 3-34 expire June 1, 2019.

3-35 (c) Section 3956.053 does not apply to this section.

3-36 (d) This section expires September 1, 2019.

3-37 SUBCHAPTER C. POWERS AND DUTIES

3-38 Sec. 3956.101. GENERAL POWERS AND DUTIES. The district has
 3-39 the powers and duties necessary to accomplish the purposes for
 3-40 which the district is created.

3-41 Sec. 3956.102. IMPROVEMENT PROJECTS AND SERVICES. The
 3-42 district may provide, design, construct, acquire, improve,
 3-43 relocate, operate, maintain, or finance an improvement project or
 3-44 service using any money available to the district, or contract with
 3-45 a governmental or private entity to provide, design, construct,
 3-46 acquire, improve, relocate, operate, maintain, or finance an
 3-47 improvement project or service authorized under this chapter or
 3-48 Chapter 375, Local Government Code.

3-49 Sec. 3956.103. DEVELOPMENT CORPORATION POWERS. The
 3-50 district, using money available to the district, may exercise the
 3-51 powers given to a development corporation under Chapter 505, Local
 3-52 Government Code, including the power to own, operate, acquire,
 3-53 construct, lease, improve, or maintain a project under that
 3-54 chapter.

3-55 Sec. 3956.104. NONPROFIT CORPORATION. (a) The board by
 3-56 resolution may authorize the creation of a nonprofit corporation to
 3-57 assist and act for the district in implementing a project or
 3-58 providing a service authorized by this chapter.

3-59 (b) The nonprofit corporation:

3-60 (1) has each power of and is considered to be a local
 3-61 government corporation created under Subchapter D, Chapter 431,
 3-62 Transportation Code; and

3-63 (2) may implement any project and provide any service
 3-64 authorized by this chapter.

3-65 (c) The board shall appoint the board of directors of the
 3-66 nonprofit corporation. The board of directors of the nonprofit
 3-67 corporation shall serve in the same manner as the board of directors
 3-68 of a local government corporation created under Subchapter D,
 3-69 Chapter 431, Transportation Code, except that a board member is not

4-1 required to reside in the district.
4-2 Sec. 3956.105. AGREEMENTS; GRANTS. (a) As provided by
4-3 Chapter 375, Local Government Code, the district may make an
4-4 agreement with or accept a gift, grant, or loan from any person.
4-5 The district shall promptly notify the city of any gift or grant
4-6 accepted by the district.
4-7 (b) The implementation of a project is a governmental
4-8 function or service for the purposes of Chapter 791, Government
4-9 Code.
4-10 Sec. 3956.106. LAW ENFORCEMENT SERVICES. To protect the
4-11 public interest, the district may contract with a qualified party,
4-12 including the county or the city, to provide law enforcement
4-13 services in the district for a fee.
4-14 Sec. 3956.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
4-15 district may join and pay dues to a charitable or nonprofit
4-16 organization that performs a service or provides an activity
4-17 consistent with the furtherance of a district purpose.
4-18 Sec. 3956.108. PARKING FACILITIES. (a) The district may
4-19 acquire, lease as lessor or lessee, construct, develop, own,
4-20 operate, and maintain parking facilities or a system of parking
4-21 facilities, including lots, garages, parking terminals, or other
4-22 structures or accommodations for parking motor vehicles off the
4-23 streets and related appurtenances.
4-24 (b) The district's parking facilities serve the public
4-25 purposes of the district and are owned, used, and held for a public
4-26 purpose even if leased or operated by a private entity for a term of
4-27 years.
4-28 (c) The district's parking facilities are parts of and
4-29 necessary components of a street and are considered to be a street
4-30 or road improvement.
4-31 (d) The development and operation of the district's parking
4-32 facilities may be considered an economic development program.
4-33 Sec. 3956.109. ANNEXATION OF LAND. The district may annex
4-34 land as provided by Subchapter J, Chapter 49, Water Code.
4-35 Sec. 3956.110. NAVIGATION DISTRICT POWERS. The district
4-36 has the powers provided by the general law of this state applicable
4-37 to navigation districts created under Section 59, Article XVI,
4-38 Texas Constitution, including Chapters 60 and 62, Water Code.
4-39 Sec. 3956.111. APPROVAL BY CITY. (a) Except as provided
4-40 by Subsection (c), the district must obtain the approval of the city
4-41 for:
4-42 (1) the issuance of bonds or any other obligations,
4-43 subject to Section 3956.201 or 3956.203;
4-44 (2) the plans and specifications of an improvement
4-45 project financed by bonds; and
4-46 (3) the plans and specifications of an improvement
4-47 project related to the use of land owned by the city, an easement
4-48 granted to or by the city, or a right-of-way of a street, road, or
4-49 highway.
4-50 (b) The district may not issue bonds until the governing
4-51 body of the city adopts a resolution or ordinance authorizing the
4-52 issuance of the bonds.
4-53 (c) If the district obtains the approval of the city's
4-54 governing body of a capital improvements budget for a period not to
4-55 exceed five years, the district may finance the capital
4-56 improvements and issue bonds specified in the budget without
4-57 further approval from the city.
4-58 (d) The governing body of the city:
4-59 (1) is not required to adopt a resolution or ordinance
4-60 to approve plans and specifications described by Subsection (a);
4-61 and
4-62 (2) may establish an administrative process to approve
4-63 plans and specifications described by Subsection (a) without the
4-64 involvement of the governing body.
4-65 Sec. 3956.112. CONSENT OF CITY REQUIRED. The district may
4-66 not take any of the following actions until the city has consented
4-67 by ordinance or resolution to the creation of the district and to
4-68 the inclusion of land in the district:
4-69 (1) hold an election under Subchapter L, Chapter 375,

- 5-1 Local Government Code;
5-2 (2) impose an ad valorem tax;
5-3 (3) impose an assessment;
5-4 (4) issue bonds; or
5-5 (5) enter into an agreement to reimburse the costs of
5-6 facilities.
5-7 Sec. 3956.113. NO EMINENT DOMAIN POWER. The district may
5-8 not exercise the power of eminent domain.
5-9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS
5-10 Sec. 3956.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
5-11 board by resolution shall establish the number of directors'
5-12 signatures and the procedure required for a disbursement or
5-13 transfer of district money.
5-14 Sec. 3956.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
5-15 The district may acquire, construct, finance, operate, or maintain
5-16 any improvement or service authorized under this chapter or Chapter
5-17 375, Local Government Code, using any money available to the
5-18 district.
5-19 Sec. 3956.153. PETITION REQUIRED FOR FINANCING SERVICES AND
5-20 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
5-21 service or improvement project with assessments under this chapter
5-22 unless a written petition requesting that service or improvement
5-23 has been filed with the board.
5-24 (b) A petition filed under Subsection (a) must be signed by
5-25 the owners of a majority of the assessed value of real property in
5-26 the district subject to assessment according to the most recent
5-27 certified tax appraisal roll for the county.
5-28 Sec. 3956.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.
5-29 (a) The board by resolution may impose and collect an assessment
5-30 for any purpose authorized by this chapter in all or any part of the
5-31 district.
5-32 (b) An assessment, a reassessment, or an assessment
5-33 resulting from an addition to or correction of the assessment roll
5-34 by the district, penalties and interest on an assessment or
5-35 reassessment, an expense of collection, and reasonable attorney's
5-36 fees incurred by the district:
5-37 (1) are a first and prior lien against the property
5-38 assessed;
5-39 (2) are superior to any other lien or claim other than
5-40 a lien or claim for county, school district, or municipal ad valorem
5-41 taxes; and
5-42 (3) are the personal liability of and a charge against
5-43 the owners of the property even if the owners are not named in the
5-44 assessment proceedings.
5-45 (c) The lien is effective from the date of the board's
5-46 resolution imposing the assessment until the date the assessment is
5-47 paid. The board may enforce the lien in the same manner that the
5-48 board may enforce an ad valorem tax lien against real property.
5-49 (d) The board may make a correction to or deletion from the
5-50 assessment roll that does not increase the amount of assessment of
5-51 any parcel of land without providing notice and holding a hearing in
5-52 the manner required for additional assessments.
5-53 SUBCHAPTER E. TAXES AND BONDS
5-54 Sec. 3956.201. ELECTIONS REGARDING TAXES AND BONDS.
5-55 (a) The district may issue, without an election, bonds, notes, and
5-56 other obligations secured by:
5-57 (1) revenue other than ad valorem taxes; or
5-58 (2) contract payments described by Section 3956.203.
5-59 (b) The district must hold an election in the manner
5-60 provided by Subchapter L, Chapter 375, Local Government Code, to
5-61 obtain voter approval before the district may impose an ad valorem
5-62 tax or issue bonds payable from ad valorem taxes.
5-63 (c) Section 375.243, Local Government Code, does not apply
5-64 to the district.
5-65 (d) All or any part of any facilities or improvements that
5-66 may be acquired by a district by the issuance of its bonds may be
5-67 submitted as a single proposition or as several propositions to be
5-68 voted on at the election.
5-69 Sec. 3956.202. OPERATION AND MAINTENANCE TAX. (a) If

6-1 authorized by a majority of the district voters voting at an
6-2 election held in accordance with Section 3956.201, the district may
6-3 impose an operation and maintenance tax on taxable property in the
6-4 district in accordance with Section 49.107, Water Code, for any
6-5 district purpose, including to:

- 6-6 (1) maintain and operate the district;
- 6-7 (2) construct or acquire improvements; or
- 6-8 (3) provide a service.

6-9 (b) The board shall determine the tax rate. The rate may not
6-10 exceed the rate approved at the election.

6-11 Sec. 3956.203. CONTRACT TAXES. (a) In accordance with
6-12 Section 49.108, Water Code, the district may impose a tax other than
6-13 an operation and maintenance tax and use the revenue derived from
6-14 the tax to make payments under a contract after the provisions of
6-15 the contract have been approved by a majority of the district voters
6-16 voting at an election held for that purpose.

6-17 (b) A contract approved by the district voters may contain a
6-18 provision stating that the contract may be modified or amended by
6-19 the board without further voter approval.

6-20 Sec. 3956.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
6-21 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
6-22 determined by the board. Section 375.205, Local Government Code,
6-23 does not apply to a loan, line of credit, or other borrowing from a
6-24 bank or financial institution secured by revenue other than ad
6-25 valorem taxes.

6-26 (b) The district may issue bonds, notes, or other
6-27 obligations payable wholly or partly from ad valorem taxes,
6-28 assessments, impact fees, revenue, contract payments, grants, or
6-29 other district money, or any combination of those sources of money,
6-30 to pay for any authorized district purpose.

6-31 Sec. 3956.205. TAXES FOR BONDS. At the time the district
6-32 issues bonds payable wholly or partly from ad valorem taxes, the
6-33 board shall provide for the annual imposition of a continuing
6-34 direct annual ad valorem tax, without limit as to rate or amount,
6-35 for each year that all or part of the bonds are outstanding as
6-36 required and in the manner provided by Sections 54.601 and 54.602,
6-37 Water Code.

6-38 Sec. 3956.206. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
6-39 OBLIGATIONS. Except as provided by Section 375.263, Local
6-40 Government Code, a municipality is not required to pay bonds,
6-41 notes, or other obligations of the district.

6-42 SECTION 2. The Port Neches Improvement District initially
6-43 includes all territory contained in the following area:

6-44 Lots one through eighteen (1-18), Block One (1), Oaks Subdivision
6-45 of the City of Port Neches, Jefferson County, Texas as per the plat
6-46 of said subdivision recorded in Volume 1, page 100, map records of
6-47 said county.

6-48 Lots three through thirty-three (3-33), Block Two (2), Oaks
6-49 Subdivision of the City of Port Neches, Jefferson County, Texas as
6-50 per the plat of said subdivision recorded in Volume 1, page 100, map
6-51 records of said county.

6-52 Lots one through five (1-5), Block Eighteen (18), of Oaks Addition,
6-53 an Addition to the City of Port Neches, Jefferson County, Texas,
6-54 according to the map or plat thereof, of record in Volume 1, page
6-55 100, Map Records of Jefferson County, Texas.

6-56 SECTION 3. (a) The legal notice of the intention to
6-57 introduce this Act, setting forth the general substance of this
6-58 Act, has been published as provided by law, and the notice and a
6-59 copy of this Act have been furnished to all persons, agencies,
6-60 officials, or entities to which they are required to be furnished
6-61 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-62 Government Code.

6-63 (b) The governor, one of the required recipients, has
6-64 submitted the notice and Act to the Texas Commission on
6-65 Environmental Quality.

6-66 (c) The Texas Commission on Environmental Quality has filed
6-67 its recommendations relating to this Act with the governor, the
6-68 lieutenant governor, and the speaker of the house of
6-69 representatives within the required time.

7-1 (d) All requirements of the constitution and laws of this
7-2 state and the rules and procedures of the legislature with respect
7-3 to the notice, introduction, and passage of this Act are fulfilled
7-4 and accomplished.

7-5 SECTION 4. This Act takes effect immediately if it receives
7-6 a vote of two-thirds of all the members elected to each house, as
7-7 provided by Section 39, Article III, Texas Constitution. If this
7-8 Act does not receive the vote necessary for immediate effect, this
7-9 Act takes effect September 1, 2017.

7-10 * * * * *