

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3905. NEAR NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3905.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Houston, Texas.
- (3) "County" means Harris County, Texas.
- (4) "Director" means a board member.
- (5) "District" means the Near Northside Management

District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections [52](#) and [52-a](#), Article III, and Section [59](#), Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section [52-a](#), Article III, Texas Constitution.

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

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

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary

components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3905.107 or other law.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect the district's:

- (1) organization, existence, or validity; or
- (2) legality or operation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

- (1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;
- (2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or
- (3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(a), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3905.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of three years, with three directors' terms expiring June 1 of each year. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the city shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the city;

(2) the chief of police of the city;

(3) the county's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the city that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the district to serve as a nonvoting ex officio director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter [171](#), Local Government Code, governs conflicts of interest of board members.

(b) Section [171.004](#), Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public

entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section [171.002](#), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.055. COMPENSATION. The district shall compensate a director as provided by Section [49.060](#), Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3905.101. HOUSING FINANCE CORPORATION POWERS.

(a) The district has the powers of a housing finance corporation created under Chapter [394](#), Local Government Code.

(b) The district may exercise the powers to provide housing or residential development projects in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.102. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter [505](#), Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. [3857](#)), Sec. 1, eff. June 17, 2011.

Sec. 3905.103. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with the county or the city to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.106. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for \$25,000 or less.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.107. ANNEXATION. In addition to the authority to

annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the city under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.108. ECONOMIC DEVELOPMENT PROGRAM. (a) The district may establish and provide for the administration of one or more programs to promote economic development and to stimulate business and commercial activity in the district, including programs to secure loans and receive grants of public money.

(b) The district may:

(1) contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other person for the administration of the program; and

(2) accept contributions, gifts, or other resources to develop and administer the program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.109. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with the city, county, or Houston Independent School District.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.110. REAL PROPERTY. (a) The district may buy, sell, own, or lease real property.

(b) The district may receive real property as a gift from any person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.111. RECEIPT OF SURPLUS PROPERTY. The district may receive surplus property from a school district that is located



in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.112. PROJECT FOR EDUCATIONAL OPPORTUNITY. The district may own, lease, operate or manage a project to improve educational opportunities in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified tax appraisal roll for the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person that provides to the public gas, electricity, telephone, sewage, or water service. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.154. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.

Sec. 3905.155. TAX INCREMENT FINANCING POWERS. (a) The district may designate all or any part of the district as a tax increment reinvestment zone. The district may use tax increment financing under Chapter 311, Tax Code, in the manner provided by that chapter for a municipality, except as modified by this section.

(b) The district has all powers provided under Chapter 311, Tax Code.

(c) The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

(d) For the purpose of tax increment financing under this section, the board functions as the board of directors of the reinvestment zone. Section 311.009, Tax Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 345 (H.B. 2139), Sec. 1, eff. June 14, 2013.

#### SUBCHAPTER E. DISSOLUTION

Sec. 3905.201. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may vote to dissolve a district

that has debt. If the vote is in favor of dissolution, the district shall remain in existence solely for the limited purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

(b) Section 375.264, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 358 (H.B. 3857), Sec. 1, eff. June 17, 2011.