

BILL ANALYSIS

C.S.H.B. 4198
By: Schofield
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, certain land located within the extraterritorial jurisdiction of the City of Houston is undeveloped. Interested parties contend that the area would benefit from the creation of a municipal utility district. C.S.H.B. 4198 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4198 amends the Special District Local Laws Code to create the Harris County Municipal Utility District No. 543, subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain requirements, to issue obligations and to impose property, operation and maintenance, and contract taxes. The bill, if it does not receive a two-thirds vote of all the members elected to each house, prohibits the district from exercising the power of eminent domain.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4198 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7933 to read as follows:
CHAPTER 7933. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 543

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SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7933.001. DEFINITIONS.

Sec. 7933.002. NATURE OF DISTRICT.

Sec. 7933.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 7933.004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. 7933.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

Sec. 7933.006. INITIAL DISTRICT TERRITORY.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7933.051. GOVERNING BODY; TERMS.

Sec. 7933.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) _____;
- (2) _____;
- (3) _____;
- (4) _____; and
- (5) _____.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 7933.003; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7933.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 7933.003; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five

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SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7933.051. GOVERNING BODY; TERMS.

Sec. 7933.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Rose Montalbano;
- (2) Calvin Browne;
- (3) Ryan Quinn;
- (4) Tamara Webb; and
- (5) Stephanie Bowden.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 7933.003; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7933.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 7933.003; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five

persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7933.101. GENERAL POWERS AND DUTIES.

Sec. 7933.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 7933.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 7933.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 7933.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7933.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 7933.152. OPERATION AND MAINTENANCE TAX.

Sec. 7933.153. CONTRACT TAXES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7933.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 7933.202. TAXES FOR BONDS.

Sec. 7933.203. BONDS FOR ROAD PROJECTS.

SECTION 2. Establishes boundaries for Harris County Municipal Utility District No. 543.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished

persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

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Sec. 7933.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 7933.103. AUTHORITY FOR ROAD PROJECTS.

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Sec. 7933.202. TAXES FOR BONDS.

Sec. 7933.203. BONDS FOR ROAD PROJECTS.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

(d) 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 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7933, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7933.106 to read as follows:

Sec. 7933.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.