

BILL ANALYSIS

C.S.H.B. 3173
By: Bell
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that an area within Harris County would benefit from the creation of a management district. C.S.H.B. 3173 seeks to provide for the creation of such a district in that area.

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. 3173 amends the Special District Local Laws Code to create the East Lake Houston Management District to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the dissolution of the district. The bill sets out the district's powers and duties, which include, subject to certain requirements and in addition to any additional powers granted by the legislature, the powers granted to a municipal utility district and the authority to adopt restrictions on the use of real property, issue obligations, impose assessments, establish storm water user and nonpotable water user charges, and impose property and sales and use taxes. The bill 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, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3173 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 C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3936 to read as follows:

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CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3936.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the city of Houston.
- (3) "Director" means a board member.
- (4) "District" means the East Lake Houston Management District.

Sec. 3936.002. CREATION AND NATURE OF DISTRICT.

Sec. 3936.003. PURPOSE; LEGISLATIVE FINDINGS.

Sec. 3936.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3936.005. DISTRICT TERRITORY.

Sec. 3936.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

Sec. 3936.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3936.008. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3936.051. GOVERNING BODY; TERMS.

Sec. 3936.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY.

Sec. 3936.053. APPOINTMENT OF DIRECTORS.

Sec. 3936.054. VACANCY.

Sec. 3936.055. DIRECTOR'S OATH OR AFFIRMATION.

Sec. 3936.056. QUORUM.

Sec. 3936.057. OFFICERS.

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Sec. 3936.058. COMPENSATION; EXPENSES.

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Sec. 3936.059. LIABILITY INSURANCE.

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Sec. 3936.060. NO EXECUTIVE COMMITTEE.

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Sec. 3936.061. BOARD MEETINGS.

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Sec. 3936.062. INITIAL DIRECTORS. (a)
The initial board consists of:

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Pos. No.Name of Director

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1	
2	
3	
4	
5	

1	John Hauser
2	Sophia Filfil
3	John Speers
4	Debi Armstrong
5	Zach Dehghanpoo

(b) The terms of the initial directors expire June 1, 2019.

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(c) Of the directors who replace an initial director, the terms of directors serving in positions 1 through 3 expire June 1, 2021, and the terms of directors serving in positions 4 and 5 expire June 1, 2023.

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(d) Section 3936.052 does not apply to initial directors under this section.

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SUBCHAPTER C. POWERS AND DUTIES

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Sec. 3936.101. GENERAL POWERS AND DUTIES.

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Sec. 3936.102. IMPROVEMENT PROJECTS AND SERVICES.

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Sec. 3936.103. LOCATION OF IMPROVEMENT PROJECT.

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Sec. 3936.104. DEVELOPMENT CORPORATION POWERS.

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Sec. 3936.105. NONPROFIT CORPORATION.

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Sec. 3936.106. AGREEMENTS; GRANTS.

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Sec. 3936.107. LAW ENFORCEMENT SERVICES.

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Sec. 3936.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

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Sec. 3936.109. ECONOMIC DEVELOPMENT.

Sec. 3936.110. REAL PROPERTY RESTRICTIONS.

Sec. 3936.111. MUNICIPAL UTILITY DISTRICT POWERS.

Sec. 3936.112. CONCURRENCE ON ADDITIONAL POWERS.

Sec. 3936.113. NO EMINENT DOMAIN POWER.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3936.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3936.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3936.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS.

Sec. 3936.154. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3936.155. METHOD OF NOTICE FOR HEARING.

Sec. 3936.156. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3936.157. STORM WATER USER CHARGES.

Sec. 3936.158. NONPOTABLE WATER USER CHARGES.

Sec. 3936.159. COSTS FOR IMPROVEMENT PROJECTS.

Sec. 3936.160. TAX AND ASSESSMENT ABATEMENTS.

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Sec. 3936.160. TAX AND ASSESSMENT ABATEMENTS.

Sec. 3936.161. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3936.201. TAX ABATEMENT.

Sec. 3936.202. PROPERTY TAX AUTHORIZED.

Sec. 3936.203. SALES AND USE TAX.

Sec. 3936.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Sec. 3936.205. BOND MATURITY.

Sec. 3936.206. TAXES FOR BONDS AND OTHER OBLIGATIONS.

SUBCHAPTER F. DISSOLUTION

Sec. 3936.251. DISSOLUTION BY CITY ORDINANCE.

Sec. 3936.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

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(d) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

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Sec. 3936.253. ASSUMPTION OF ASSETS AND LIABILITIES.

SECTION 2. Sets out the metes and bounds of the district.

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 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, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) 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 have been fulfilled and accomplished.

SECTION 4. 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, 2017.

Sec. 3936.253. ASSUMPTION OF ASSETS AND LIABILITIES.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.