

BILL ANALYSIS

C.S.H.B. 4283
By: Oliverson
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that the needs of the Grand Northwest Municipal Utility District have changed and that the district needs additional powers. C.S.H.B. 4283 seeks to address this need by converting the district to a municipal management district.

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. 4283 amends the Special District Local Laws Code to convert the Grand Northwest Municipal Utility District to the Grand Northwest Municipal Management District and to establish provisions relating to the district. The bill provides for, among other provisions, municipal utility district powers and duties, annexation of land by the district, and dissolution of the district and municipal annexation. The bill sets out the district's powers and duties, which include, subject to certain requirements, the authority to issue obligations and impose assessments and property, operation and maintenance, and contract taxes.

C.S.H.B. 4283 establishes that the Grand Northwest Municipal Management District retains all rights, powers, privileges, authority, duties, and functions that the Grand Northwest Municipal Utility District had before the bill's effective date except as otherwise expressly provided by the bill. The bill provides for the validation and confirmation of certain actions and proceedings of the Grand Northwest Municipal Utility District taken before the bill's effective date.

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. 4283 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

SECTION 1. The Grand Northwest Municipal Utility District is converted to the Grand Northwest Municipal Management District and is governed by Chapter 3949, Special District Local Laws Code, as added by this Act.

SECTION 2. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3949 to read as follows:

CHAPTER 3949. GRAND NORTHWEST MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3949.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "County" means Harris County.
- (3) "Director" means a board member.
- (4) "District" means the Grand Northwest Municipal Management District.

Sec. 3949.002. NATURE OF DISTRICT; CONVERSION.

Sec. 3949.003. PURPOSE; DECLARATION OF INTENT.

Sec. 3949.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3949.005. INITIAL DISTRICT TERRITORY.

Sec. 3949.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3949.007. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3949.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3949 to read as follows:

CHAPTER 3949. GRAND NORTHWEST MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3949.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "County" means Harris County.
- (3) "Director" means a board member.
- (4) "District" means the Grand Northwest Municipal Management District, formerly the Grand Northwest Municipal Utility District.

Sec. 3949.002. NATURE OF DISTRICT; CONVERSION.

Sec. 3949.003. PURPOSE; DECLARATION OF INTENT.

Sec. 3949.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

Sec. 3949.005. INITIAL DISTRICT TERRITORY.

Sec. 3949.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW.

Sec. 3949.007. CONSTRUCTION OF CHAPTER.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3949.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected in the manner provided by Sections 49.102 and 49.103,

three directors' terms expiring May 1 of each even-numbered year.

(b) The board by resolution may change the number of voting directors on the board only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 11 voting directors.

Sec. 3949.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Sec. 3949.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3949.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:
(1) a board position vacant for any reason, including death, resignation, or disqualification;
(2) a director who is abstaining from participation in a vote because of a conflict of interest; or
(3) a nonvoting director.

Sec. 3949.055. COMPENSATION.

Sec. 3949.056. INITIAL VOTING DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) On the conversion of the district to a management district, the initial board consists of the following directors:

Pos. No. Name of Director

- 1. Charles Martin
- 2. Taylor Dillingham
- 3. Stephen Ghutzman
- 4. Oliver Maarraoui
- 5. Andrew Doonan

(b) Of the initial directors, the terms of directors appointed for positions one, two, and three expire May 14, 2018, and the terms of directors appointed for positions four and five expire May 12, 2020.

(c) Sections 3949.051 and 3949.052 do not apply to the appointment or terms of directors appointed by Subsection (a). A director appointed to succeed a director

Water Code.

(b) Directors serve staggered four-year terms.

Sec. 3949.052. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:
(1) a board position vacant for any reason, including death, resignation, or disqualification; or
(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 3949.053. COMPENSATION.

Sec. 3949.054. INITIAL DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) Notwithstanding Section 3949.051, on the conversion of the district to a management district the initial board consists of the following directors:

Pos. No. Name of Director

- 1. Charles Martin
- 2. Taylor Dillingham
- 3. Stephen Ghutzman
- 4. Oliver Maarraoui
- 5. Andrew Doonan

(b) Of the initial directors, the terms of directors appointed for positions one, two, and three expire May 14, 2018, and the terms of directors appointed for positions four and five expire May 12, 2020.

appointed by Subsection (a) serves until May 1 of the appropriate year.
(d) This section expires September 1, 2020.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3949.101. GENERAL POWERS AND DUTIES.

Sec. 3949.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3949.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 3949.104. AGREEMENTS; GRANTS.

Sec. 3949.105. LAW ENFORCEMENT SERVICES.

Sec. 3949.106. ECONOMIC DEVELOPMENT.

Sec. 3949.107. PARKING FACILITIES.

Sec. 3949.108. ANNEXATION OF LAND.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3949.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3949.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3949.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3949.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3949.201. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3949.202. OPERATION AND MAINTENANCE TAX.

(c) This section expires September 1, 2020.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3949.101. GENERAL POWERS AND DUTIES.

Sec. 3949.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3949.103. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 3949.104. AGREEMENTS; GRANTS.

Sec. 3949.105. LAW ENFORCEMENT SERVICES.

Sec. 3949.106. ECONOMIC DEVELOPMENT.

Sec. 3949.107. PARKING FACILITIES.

Sec. 3949.108. ANNEXATION OF LAND.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3949.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3949.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3949.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3949.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3949.201. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3949.202. OPERATION AND MAINTENANCE TAX.

Sec. 3949.203. CONTRACT TAXES.

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Sec. 3949.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 3949.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 3949.205. TAXES FOR BONDS.

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SUBCHAPTER F. DISSOLUTION AND MUNICIPAL ANNEXATION

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Sec. 3949.251. MUNICIPAL ANNEXATION; DISSOLUTION.

Sec. 3949.251. MUNICIPAL ANNEXATION; DISSOLUTION.

SECTION 3. The Grand Northwest Municipal Management District retains all rights, powers, privileges, authority, duties, and functions that the Grand Northwest Municipal Utility District had before the effective date of this Act, except as otherwise expressly provided by Chapter 3949, Special District Local Laws Code, as added by this Act.

SECTION 3. Same as introduced version.

SECTION 4. (a) The legislature validates and confirms all governmental acts and proceedings of the Grand Northwest Municipal Utility District that were taken before the effective date of this Act.

SECTION 4. Same as introduced version.

(b) This section does not apply to any matter that on the effective date of this Act: (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or (2) has been held invalid by a final court judgment.

SECTION 5. (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.

SECTION 5. Same as introduced version.

(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 6. 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.

SECTION 6. Same as introduced version.