

BILL ANALYSIS

C.S.H.B. 4320
By: Zerwas
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that an area located within the extraterritorial jurisdiction of the city of Houston in Fort Bend County would benefit from the creation of a management district. C.S.H.B. 4320 seeks to provide for the creation of such a 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. 4320 amends the Special District Local Laws Code to create the Fort Bend County Municipal Management District No. 2 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, annexation of land by the district, the establishment of defined areas or designated property in the district, and the dissolution and municipal annexation of the district. The bill sets out the district's powers and duties, which include, subject to certain requirements, the authority to borrow money, issue obligations, and to impose property, operation and maintenance, and contract taxes and certain other taxes for services, improvements, and facilities in defined areas or designated property. 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. 4320 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. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3957 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3957 to read as follows:

85R 27805

17.122.355

Substitute Document Number: 85R 26136

CHAPTER 3957. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3957.051. 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 three directors' terms expiring June 1 of each odd-numbered year.

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

Sec. 3957.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Sec. 3957.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3957.054. 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. 3957.055. COMPENSATION

Sec. 3957.056. INITIAL VOTING DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality

CHAPTER 3957. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3957.051. 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, Water Code.

(b) Except as provided by Section 3957.054, directors serve staggered four-year terms.

Sec. 3957.052. 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. 3957.053. COMPENSATION.

Sec. 3957.054. TEMPORARY VOTING DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality

requesting that the commission appoint as initial voting directors the five persons named in the petition. The commission shall appoint the five persons named in the petition as initial directors by position.

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

(c) Section 3957.052 does not apply to this section.

(d) This section expires September 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

SUBCHAPTER E. TAXES AND BONDS

SUBCHAPTER F. DEFINED AREAS

requesting that the commission appoint as temporary voting directors the five persons named in the petition. The commission shall appoint the five persons named in the petition as temporary directors by position.

(b) The temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

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

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) 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 Texas Commission on Environmental Quality 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.

(f) Section 3957.051 does not apply to this section.

SUBCHAPTER C. POWERS AND DUTIES

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

SUBCHAPTER E. TAXES AND BONDS

SUBCHAPTER F. DEFINED AREAS

SUBCHAPTER G. DISSOLUTION AND MUNICIPAL ANNEXATION

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.

SUBCHAPTER G. DISSOLUTION AND MUNICIPAL ANNEXATION

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.