

BILL ANALYSIS

H.B. 4646
By: Harless
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that redevelopment is occurring in and around the Cy-Champ Public Utility District in Harris County and that the district would benefit from having the tools to authorize and fund the construction of necessary infrastructure for new redevelopment projects. H.B. 4646 seeks to address this issue by setting out provisions relating to the powers and duties of the 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

H.B. 4646 amends the Special District Local Laws Code to specify that the creation of the Cy-Champ Public Utility District is essential to accomplish the purposes of a municipal utility district as provided by general law and certain constitutional provisions and to add the purposes of certain constitutional provisions that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads. The bill authorizes the district, under such provisions, to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to the state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads and sets out road standards and requirements. The bill authorizes the district to establish and administer defined areas as provided by applicable municipal utility district provisions and authorizes the district to add or exclude land from the defined areas in the same manner the district may add or exclude land from the district.

H.B. 4646 authorizes the district to issue bonds or other obligations payable wholly or partly from property taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for an authorized road project. The bill prohibits the district from issuing bonds payable from property taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose. The bill prohibits at the time of issuance the total principal amount of outstanding bonds or other obligations issued or incurred to finance road projects and payable from property taxes from exceeding one-fourth of the assessed value of the real property in the district. The bill requires the district, at the time the district issues bonds for road projects payable wholly or partly from property taxes, to provide for the annual imposition of a

continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by certain municipal utility district provisions.

H.B. 4646 establishes that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the bill's effective date. The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.