

SUBJECT: Removing a cap on park bonds issued by water districts in certain counties

COMMITTEE: Land and Resource Management — committee substitute recommended

VOTE: 9 ayes — Deshotel, Leman, Biedermann, Burrows, Craddick, Romero, Rosenthal, Spiller, Thierry

0 nays

WITNESSES: For — Auggie Campbell, Association of Water Board Directors - Texas; Ellen Hughes, Fort Bend Municipal Utility District No. 23; Deborah January-Bevers, Houston Wilderness; Tricia Brasseaux, The Howard Hughes Corporation; (*Registered, but did not testify*: Trey Lary, Allen Boone Humphries Robinson LLP; Scott Stewart, American Council of Engineering Companies of Texas; Brent Luck, American Society of Landscape Architects; Bradley Pepper, Greater Houston Builders Association; Diana Miller, Schwartz, Page & Harding, LLP; Howard Cohen, Utility Development Advisory Corporation)

Against — None

DIGEST: CSHB 1410 would allow water districts located partly or entirely in Bastrop, Bexar, Waller, Travis, Williamson, Harris, Galveston, Brazoria, Montgomery, or Fort Bend counties to issue for the development and maintenance of parks and other recreational facilities property tax-supported bonds exceeding 1 percent of the value of the taxable property in the district if the district had:

- a ratio of debt to certified assessed valuation of 10 percent or less;
- a credit rating that conformed to Texas Commission on Environmental Quality (TCEQ) rules;
- a credit enhanced rating on the district's proposed bond issue that conformed to TCEQ rules; or
- a contract with a political subdivision or entity acting on its behalf under which the subdivision or entity agreed to provide to the

district taxes or other revenues.

CSHB 1410 would eliminate the prohibition on the amount of the outstanding principal on bonds and other obligations issued to finance parks and recreational facilities exceeding:

- 1 percent of the value of taxable property in districts making payments under the contract, if the obligations were supported by contract taxes; or
- the estimated cost of the relevant park plan.

CSHB 1410 also would establish that a city's written consent to the inclusion of its land in a water district could restrict the purposes for which the district issued bonds to the purposes authorized by law for the district. This change in law would not affect municipal resolutions or ordinances that constitute written consent adopted before the effective date of the bill.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**SUPPORTERS
SAY:**

CSHB 1410 would help provide more parks and green spaces to communities that wanted them by removing, under certain circumstances, the cap that limits the amount of bonds municipal water districts can issue for developing recreational facilities to 1 percent of the value of taxable property in the district.

Living near high-quality recreational infrastructure such as parks and other green spaces provides significant value to a community, including improved aesthetics, space for exercise, and increased home values for residents. Beyond their recreational function, these spaces can expand flood and erosion controls and improve air and water quality.

The current restriction on bonds for recreational purposes does not apply to the financing of other district investments, such as water or sewage

infrastructure or roads. CSHB 1410 would provide fiscally healthy districts more flexibility in financing for parks and recreation while ensuring that any bond could only exceed the 1 percent cap if it met certain criteria of financial viability.

CRITICS
SAY:

No concerns identified.