

SUBJECT: Allowing certain conservation districts to fund parks with property taxes

COMMITTEE: Pensions, Investments & Financial Services — favorable, without amendment

VOTE: 8 ayes — Capriglione, Lambert, Bhojani, Bryant, Leo-Wilson, Plesa, VanDeaver, Vo

0 nays

1 absent — Frazier

WITNESSES: For — (*Registered, but did not testify:* Guadalupe Cuellar, City of El Paso; Eddie Solis, El Paso Water; Justin Chapman, Hunt Companies Inc; Tracy Yellen, Paso Del Norte Health Foundation)

Against — None

BACKGROUND: Texas Constitution, art. XVI, sec. 59 allows the Legislature to authorize certain conservation and reclamation districts to develop parks and recreational facilities by financing the development of the parks with taxes. Sec. 59 also authorizes the Legislature to issue bonds payable from property taxes to fund the improvement and maintenance of such parks and recreational facilities in conservation and reclamation districts, all or part of which are located in certain counties.

Under Water Code sec. 55.364, if a board enters into a contract with the United States, the directors shall distribute all water acquired by the district under the contract in accordance with acts of Congress, rules and regulations of the secretary of the interior, and provisions of the contract.

DIGEST: HJR 79 would add El Paso County to the list of counties containing a conservation or reclamation district for which the Legislature could authorize bonds payable from property taxes for the district's development and maintenance of parks and recreational facilities. The resolution would specify that its provisions should not be construed as a limitation on the

powers of the Legislature or of a district regarding parks and recreational facilities, as those powers existed immediately before the amendment took effect.

The ballot proposal would be presented to voters at an election on November 7, 2023, and would read: "The constitutional amendment authorizing the Legislature to permit conservation and reclamation districts in El Paso County to issue bonds supported by ad valorem taxes to fund the development and maintenance of parks and recreational facilities."

**SUPPORTERS
SAY:**

HJR 79 would give voters the choice to expand the avenues through which the county of El Paso could fund the improvement of parks and recreational centers. By allowing for the option of issuing bonds supported by property taxes to fund parks in El Paso, the resolution would help to address the need for more open spaces and improve the quality of life for El Pasoans. The resolution also could make the county more competitive for Texans considering moving to El Paso.

The resolution would leave up to the discretion of conservation and reclamation districts the decision to assess ad valorem taxes, and would not make the assessment mandatory. The resolution would not impair any district's contract with the United States.

**CRITICS
SAY:**

HJR 79 could give certain conservation and reclamation districts in El Paso County the unnecessary authority to assess ad valorem taxes. Under Water Code sec. 55.364, certain conservation and reclamation districts in the county have federal contracts that require that any land within the districts be assessed on a per acre basis. Language should be added to the resolution that states the ad valorem provisions in the resolution would not apply to a conservation or reclamation district in El Paso County that had a contract with the United States under sec. 55.364 of the Water Code.

NOTES:

HB 4471, the enabling legislation for HJR 79, was placed on the Local and Consent Calendar for April 20, 2023, withdrawn, and returned to the

Local and Consent Calendars Committee.

According to the Legislative Budget Board, the cost to the state for publication of the resolution would be \$204,406.