

BILL ANALYSIS

Senate Research Center
84R4559 JSL-D

H.B. 4131
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Westchase District (district) was one of the first management districts created in the State of Texas (1995). At that time, the laws applicable to all management districts required competitive bidding when the price of the item was \$15,000 or more, while the district's governing legislation set the threshold at \$10,000. In 2011, the laws applying to all management districts were significantly amended to outline what kinds of items must be competitively bid and to increase the threshold to \$75,000. General law also requires an election to authorize a maintenance tax but does not require that a district obtain a certain number of petitions requesting a maintenance tax before calling an election. Finally, general law does not require an election for a management district to issue assessment backed bonds.

H.B. 4131 will update the district's governing legislation by removing the current more restrictive requirements as to competitive bidding, maintenance tax elections, and the issuance of assessment-backed bonds so that the rules applicable to management districts generally regarding these issue apply to the district. These changes are important to the smooth functioning of the district and the ability of the district to compete with other management districts.

H.B. 4131 amends current law relating to competitive bidding procedures and election requirements for the Westchase District.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 3802.159(a) and (c), Special District Local Laws Code, as follows:

(a) Requires the Westchase District (district), in addition to the elections required under Subchapter L (Elections), Chapter 375, Local Government Code, to hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes, rather than issue a bond payable from ad valorem taxes or assessments.

(c) Prohibits the board of directors of the district (board) from calling a bond election under this chapter unless a written petition requesting the election has been filed with the board. Makes nonsubstantive changes.

SECTION 2. Repealer: Section 3802.104 (Competitive Bidding), Special District Local Laws Code

SECTION 3. Effective date: upon passage or September 1, 2015.