

BILL ANALYSIS

Senate Research Center
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H.B. 4186
By: Smith (Creighton)
Intergovernmental Relations
5/20/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4186 proposes to create the East Lake Houston Management District (district). Creation of the district will enable the development of approximately 615 acres of raw land in to single family housing, at a rate of approximately three units per acre. The district will utilize standard MUD powers to assist with financing drainage and roadways needed to render the land developable; and will also utilize standard management district powers to finance the maintenance of above standard surface infrastructure for the development, including hike and bike trail systems, a community center to enhance the residential living environment, landscaping and landscape maintenance, and supplemental security for the residences.

Water, water distribution, and water treatment facilities will be developed by and serviced by a private operator.

All of the land in the development is owned by Arete Development, and Arete's financing partners.

The development anticipates the expansion of the area tax base by approximately \$200,000,000 or more and will be developed over a 10 to 12-year period.

H.B. 4186 amends current law relating to the creation of the East Lake Houston Management District, provides authority to issue bonds and provides authority to impose assessments, fees, or taxes.

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 Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3936, as follows:

CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT

Sets forth standard language for the creation of the East Lake Municipal Management District (district) in the City of Houston (city). Sets forth standards, procedures, requirements and criteria for:

Creation and approval of the district (Sections 3936.001-3936.008);

Size, composition, election, and terms of the board of directors of the district and the naming of initial directors (Sections 3936.051-3936.062);

Powers and duties of the district (Sections 3936.101-3936.112); and

General financial obligations and authority to issue bonds and taxes and obligations for the district (Sections 3936.151-3936.106 and Sections 3936.201-3936.206); and

Dissolution of the district by the city (3936.251-3936.253).

Prohibits the district from exercising the power of eminent domain.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2015.