

BILL ANALYSIS

Senate Research Center
86R22685 JCG-D

H.B. 4637
By: Bonnen, Greg (Taylor)
Intergovernmental Relations
5/11/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4637 creates City of Kemah Municipal Management District No. 1 (district). The district will encompass approximately 89 acres of land located within Galveston County, Texas. The district is located within the corporate limits of the City of Kemah, Texas. H.B. 4637 is a “stripped-down/simplified” version of the template. The specific language of the legislation was negotiated between the landowner and the city.

The bill follows the template, except as follows:

- strips out many of the powers otherwise granted to the district under the “template”;
- specifically limits the ability of the district to issue bonds secured by assessments unless issuance is approved by the Texas Commission on Environmental Quality, the infrastructure is complete and 75 percent of the property being benefited by the infrastructure is built; and
- Requires the district to transfer ownership of any water or sewer facilities to Galveston County Water Control and Improvement District No. 12 and all other facilities to the City of Kemah.

H.B. 4637 amends current law relating to the creation of the City of Kemah Municipal Management District No. 1; provides a limited authority of eminent domain; and provides authority to issue bonds and impose assessments, fees, and 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 3976, as follows:

CHAPTER 3976. CITY OF KEMAH MUNICIPAL MANAGEMENT DISTRICT NO. 1

Sets forth standard language for the creation of the City of Kemah Municipal Management District No. 1 (district). Sets forth standards, requirements, and criteria for:

Creation, approval, purpose, and territory of the district (Sections 3976.0101–3976.0109);

Size, composition, appointment, officers, compensation, and terms of the board of directors of the district, including provisions related to initial directors (Sections 3976.0201–3976.0208);

Powers and duties of the district and improvement projects by the district necessary to accomplish a public purpose and a limitation on eminent domain power (Sections 3976.0301–3976.0307);

General financial provisions including authority to impose an assessment (Sections 3976.0401–3976.0405);

Authority to impose taxes and to issue bonds and obligations for the district (Sections 3976.0501–3976.0502);

Dissolution of the district by the city and disposition of assets and liabilities (Sections 3976.0601–3976.0603); and

Special bond provisions (Sections 3976.0701–3976.0706).

Prohibits the use of the power of eminent domain unless the governing body of the city consents to the exercise.

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. (a) Provides that Section 3976.0307, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 3976, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 3976.0307 as follows:

Sec. 3976.0307. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. Effective date: September 1, 2019.