

BILL ANALYSIS

C.S.H.B. 4192
By: Zerwas
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Municipal management districts are used to promote the development of both residential and commercial areas and to provide the infrastructure and supplemental services required of such areas. Interested parties contend that a municipal management district is needed to provide critical public infrastructure improvements, including water, sewer, drainage, road, and recreational facilities, to undeveloped land located in the municipal boundaries and extraterritorial jurisdiction of the City of Simonton in Fort Bend County. C.S.H.B. 4192 seeks to create the Simonton Management District No. 1.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4192 amends the Special District Local Laws Code to create the Simonton Management District No. 1 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the district's authority to annex land. The district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose assessments and property, operation and maintenance, and contract taxes. The district is prohibited from exercising the power of eminent domain.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4192 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by	SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by

adding Chapter 3934 to read as follows:
CHAPTER 3934. SIMONTON
MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 3934.001. DEFINITIONS.

Sec. 3934.002. NATURE OF DISTRICT.

Sec. 3934.003. PURPOSE;
DECLARATION OF INTENT.

Sec. 3934.004. FINDINGS OF BENEFIT
AND PUBLIC PURPOSE.

Sec. 3934.005. INITIAL DISTRICT
TERRITORY.

Sec. 3934.006. ELIGIBILITY FOR
INCLUSION IN SPECIAL ZONES. All or
any part of the area of the district is eligible
to be included in:

- (1) a tax increment reinvestment zone
created under Chapter 311, Tax Code;
- (2) a tax abatement reinvestment zone
created under Chapter 312, Tax Code;
- (3) an enterprise zone created under
Chapter 2303, Government Code; or
- (4) an industrial district created under
Chapter 42, Local Government Code.

Sec. 3934.007. APPLICABILITY OF
MUNICIPAL MANAGEMENT
DISTRICTS LAW.

Sec. 3934.008. CONSTRUCTION OF
CHAPTER.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 3934.051. GOVERNING BODY;
TERMS.

Sec. 3934.052. APPOINTMENT OF
VOTING DIRECTORS.

Sec. 3934.053. NONVOTING
DIRECTORS.

Sec. 3934.054. QUORUM.

Sec. 3934.055. COMPENSATION.

adding Chapter 3934 to read as follows:
CHAPTER 3934. SIMONTON
MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 3934.001. DEFINITIONS.

Sec. 3934.002. NATURE OF DISTRICT.

Sec. 3934.003. PURPOSE;
DECLARATION OF INTENT.

Sec. 3934.004. FINDINGS OF BENEFIT
AND PUBLIC PURPOSE.

Sec. 3934.005. INITIAL DISTRICT
TERRITORY.

No equivalent provision.

Sec. 3934.006. APPLICABILITY OF
MUNICIPAL MANAGEMENT
DISTRICTS LAW.

Sec. 3934.007. CONSTRUCTION OF
CHAPTER.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 3934.051. GOVERNING BODY;
TERMS.

Sec. 3934.052. APPOINTMENT OF
VOTING DIRECTORS.

Sec. 3934.053. NONVOTING
DIRECTORS.

Sec. 3934.054. QUORUM.

Sec. 3934.055. COMPENSATION.

Sec. 3934.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

Pos. No. Name of Director

1	
2	
3	
4	
5	

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2017, and the terms of directors appointed for positions four and five expire June 1, 2019.

(c) Section 3934.052 does not apply to this section.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3934.101. GENERAL POWERS AND DUTIES.

Sec. 3934.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3934.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3934.104. NONPROFIT CORPORATION.

Sec. 3934.105. AGREEMENTS; GRANTS.

Sec. 3934.106. LAW ENFORCEMENT SERVICES.

Sec. 3934.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3934.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

Sec. 3934.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

Pos. No. Name of Director

1	CJ Aber
2	Debra Sabrsula
3	Jeff Cannon
4	Steve Littlefield
5	Mac McAleer

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2017, and the terms of directors appointed for positions four and five expire June 1, 2019.

(c) Section 3934.052 does not apply to this section.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3934.101. GENERAL POWERS AND DUTIES.

Sec. 3934.102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 3934.103. DEVELOPMENT CORPORATION POWERS.

Sec. 3934.104. NONPROFIT CORPORATION.

Sec. 3934.105. AGREEMENTS; GRANTS.

Sec. 3934.106. LAW ENFORCEMENT SERVICES.

Sec. 3934.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 3934.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.
(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Sec. 3934.109. PARKING FACILITIES.

Sec. 3934.110. ANNEXATION OF LAND.

Sec. 3934.111. APPROVAL BY CITY NOT REQUIRED.

Sec. 3934.112. NO EMINENT DOMAIN POWER.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3934.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

Sec. 3934.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

Sec. 3934.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3934.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3934.155. TAX AND ASSESSMENT ABATEMENTS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3934.201. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3934.202. OPERATION AND MAINTENANCE TAX.

Sec. 3934.203. CONTRACT TAXES.

Sec. 3934.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may borrow money on

(2) provide district personnel and services.
(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by Chapter 380, Local Government Code.

Sec. 3934.109. PARKING FACILITIES.

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Sec. 3934.111. APPROVAL BY CITY.

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Sec. 3934.151. DISBURSEMENTS AND TRANSFERS OF MONEY.

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Sec. 3934.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS.

Sec. 3934.154. ASSESSMENTS; LIENS FOR ASSESSMENTS.

Sec. 3934.155. TAX AND ASSESSMENT ABATEMENTS.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3934.201. ELECTIONS REGARDING TAXES AND BONDS.

Sec. 3934.202. OPERATION AND MAINTENANCE TAX.

Sec. 3934.203. CONTRACT TAXES.

Sec. 3934.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.
(a) The district may borrow money on

terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3934.205. TAXES FOR BONDS.

Sec. 3934.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.

SECTION 2. Establishes boundaries for the Simonton Management District No. 1.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and

terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose. The district may pledge ad valorem taxes to bonds, notes, or other obligations only as authorized by the Texas Constitution.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3934.205. TAXES FOR BONDS.

Sec. 3934.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 4. Same as introduced version.