

## **BILL ANALYSIS**

Senate Research Center  
85R26136 SMT-F

H.B. 4320  
By: Zerwas (Kolkhorst)  
Administration  
5/18/2017  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 4320 proposes to create Fort Bend County Municipal Management District No. 2 (district), a municipal management district in the extraterritorial jurisdiction of the City of Houston (city) in Fort Bend County.

Municipal management districts (MMDs), which are generally governed by Chapter 375, Local Government Code, have been used to promote the development of commercial areas and to provide infrastructure, improvements, and supplemental services required of such areas. In particular, MMDs have been widely used in the Houston region, with almost every major commercial area in the Houston region being supported by an MMD.

The district is proposed to cover approximately 100 acres of currently raw, undeveloped land. The district would provide critical public infrastructure improvements, such as water, sewer, drainage, road and recreational facilities, to support development of the property, and would provide services and amenities to the commercial property in the district. The district would have typical management district powers, such as the power to levy assessments and taxes. H.B. 4320 utilizes the “standardized” management district creation language previously adopted by the Senate Intergovernmental Relations Committee and used by prior house and senate committees.

The sole landowner, an entity controlled by William Harrison, initiated the creation of an MMD over this property. The city has been notified of the proposed creation of the district and has no objection. The directors must be elected. The district will NOT have the power of eminent domain. Notice of intent was published on January 25, 2017. H.B. 4320 is eligible for filing on February 25, 2017.

H.B. 4320 amends current law relating to the creation of the Fort Bend County Municipal Management District No. 2, 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 3957, as follows:

#### **CHAPTER 3957. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 2**

Sets forth standard language for the creation of the Fort Bend County Municipal Management District No. 2 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 3957.001-3957.050);

Size, composition, appointment, compensation, and terms of the board of directors of the district, including the naming of the initial directors (Sections 3957.051-3957.100);

Powers and duties of the district (Sections 3957.101-3957.150);

General financial provisions and authority to impose a tax and issue bonds and obligations for the district (Sections 3957.151-3957.250);

Defined areas of the district (Sections 3957.251-3957.300); and

Dissolution and municipal annexation (Section 3957.301).

Prohibits the district from exercising the power of eminent domain (Section 3957.109).

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, 2017.