

BILL ANALYSIS

Senate Research Center
86R30758 SMT-F

C.S.H.B. 4635
By: Zerwas (Kolkhorst)
Intergovernmental Relations
5/15/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4635 creates the Orchard Management District No. 1, and provides the district authority to levy an assessment, impose a tax, and issue bonds, in order to administer and provide funding for economic development projects and services to undeveloped property in Fort Bend County, Texas.

The committee substitute for H.B. 4635 requires the board of the proposed district to dissolve the district upon the receipt of a petition signed by the owners of 66 percent or more of the assessed value of property subject to assessment by the district or the owners of 66 percent or more of the surface area in the district. The district may not be dissolved if the district: (1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds; (2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or (3) owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements. The committee substitute also provides that Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.

C.S.H.B. 4635 amends current law relating to the creation of the Orchard Management District No. 1; provides authority to issue bonds; and provides authority to 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 3792, as follows:

CHAPTER 3792. ORCHARD MANAGEMENT DISTRICT NO. 1

Sets forth standard language for the creation of the Orchard Management District No. 1 (district) in Fort Bend County. Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 3792.0101–3792.0109);

Size, composition, election or appointment, compensation, and terms of the board of directors of the district, including provisions related to initial temporary directors (Sections 3792.0201–3792.0204);

Powers and duties of the district, including a prohibition on exercising eminent domain power (Sections 3792.0301–3792.0317);

General financial provisions, including authority to impose assessments (Sections 3792.0401–3792.0403);

Authority to impose taxes and issue bonds and obligations for the district (Sections 3792.0501–3792.0607); and

Dissolution of the district by the board and discharge of debts (Section 3792.0701).

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 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. Effective date: upon passage or September 1, 2019.