

## **BILL ANALYSIS**

C.S.H.B. 4755  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

C.S.H.B. 4755 creates the Guadalupe County Development and Management District to administer and provide funding for improvement projects and services in the district.

### **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. 4755 amends the Special District Local Laws Code to set forth standard language for the creation of the Guadalupe County Development and Management District. The bill sets forth general provisions for the creation and nature of the district, the district's public purpose and benefit, district territory, and the district's eligibility for inclusion in special zones; the number of members, terms, election date, and eligibility of the board of directors of the district, including provisions for vacancies; a director's oath or affirmation, election of officers, compensation, expenses, and liability insurance, and conflicts of interest for directors. The bill names the initial directors of the district.

C.S.H.B. 4755 sets forth general provisions for the powers and duties of the district, including the power to provide or enter into contracts to provide certain improvement projects or activities in support of or incidental to those projects; contract with any public or private person, body, or entity to accomplish any district purpose; adopt and enforce rules to administer or operate the district, add or remove territory, and change the district's name; and by rule regulate the private use of a public roadway, park, or other public area or facility of the district.

C.S.H.B. 4755 authorizes the board to create economic development and other programs, including the imposition and collection of property taxes for certain purposes approved by district voters in an election. The bill authorizes the board to employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. The bill authorizes the district to exercise the power of eminent domain inside district boundaries for any public purpose. The bill authorizes the county to exercise county zoning powers solely in the district boundaries without holding an election, if requested by the district.

C.S.H.B. 4755 sets forth general financial provisions authorizing the district to impose a property tax on all taxable property in the district to pay for an improvement project; impose an assessment on property in the district to pay maintenance costs for an improvement; provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract, and certain associated costs; establish user charges related to the operation of stormwater facilities; establish user charges for the use of potable water and nonpotable water of the district; undertake all or part of the cost of an improvement project; and enter into a tax abatement agreement. The bill authorizes the district to borrow money for a

district purpose by issuing or executing bonds, notes, credit agreements, or other appropriate obligations, and requires the bond, note, credit agreement, or other obligation to be secured by and payable from property taxes, assessments, or any combination thereof or from other district revenue. The bill authorizes the district to impose an impact fee or assessment on property in the district and establishes the limited purposes of the fee. The bill establishes that the lien of an assessment against a person runs with the land and establishes protocol for certain assessments regarding the priority of each lien. The bill authorizes the board to make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments and prohibits the district from imposing an impact fee on the property, including equipment and facilities, of a public utility provider in the district. The bill clarifies that provisions exempting residential property from certain taxes and fees do not apply to the district.

C.S.H.B. 4755 authorizes the district to impose a tax for maintenance and operation purposes and establishes the purposes of the tax. The bill prohibits the district from imposing a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose. The bill authorizes the proposition in a maintenance and operation tax election to be for a specific maximum rate or for an unlimited rate. The bill authorizes the board to impose the tax at any rate that does not exceed the approved rate. The bill authorizes a maintenance and operation tax election to be held at the same time and in conjunction with any other district election. The bill authorizes the election to be called by a separate election order or as part of any other election order. The bill authorizes any surplus maintenance and operation tax money that is not needed for the purposes for which it was collected to be used for any authorized purpose.

C.S.H.B. 4755 establishes the authority of the district to issue bonds, notes, or other obligations from property taxes or assessments and clarifies the means and use of the bonds. The bill prohibits a bond from maturing not more than 40 years from the date of issue and sets forth the requirements of the board and the district in taxing for bonds and other obligations. The bill prohibits bonds or other obligations that are secured by and payable from property taxes from being issued unless the bonds and the imposition of the taxes are approved by a majority of the district voters voting at an election held for that purpose. The bill requires the district to hold an election in the prescribed manner.

C.S.H.B. 4755 requires the district, once the board of directors is organized but before any projects are initiated, to negotiate and execute with the county a mutually approved and accepted development and operating agreement, including any pre-annexation agreements, and any limitations regarding certain plans and rules. The bill prohibits an agreement from being effective until its terms and execution are approved by the board by order or resolution.

C.S.H.B. 4755 sets forth general provisions for division and dissolution of the district. The bill defines "board," "district," "county," and "improvement project." The bill sets forth in detail the boundaries of the district.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4755 differs from the original by making changes to the enacting clause. The substitute removes a provision in the original authorizing the district to exercise the power of eminent domain outside district boundaries only to construct, acquire, operate, repair, or maintain a water supply line or sanitary sewer line. The substitute differs from the original by making changes to the metes and bounds of Guadalupe County Development and Management District.