

## **BILL ANALYSIS**

C.S.H.B. 4774  
By: Eiland  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Continuing development and growth in Chambers County has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, recreational facilities, and major thoroughfare improvements.

C.S.H.B. 4774 creates the Chambers County Improvement District No. 3 on a tract of land containing 880.30 acres in Chambers County and grants the district limited road powers and additional district division powers.

### **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. 4774 amends the Special District Local Laws Code to set forth standard language for the creation of the Chambers County Improvement District No. 3. The bill sets forth general provisions for the nature of the district, the confirmation of the district and election of the board of directors, municipal consent, the district's public purpose and benefit, and initial district territory; the number of members and terms of the board of directors of the district, including provisions for temporary directors; the powers and duties of the district, including the power to undertake certain road projects and the approval necessary and the standards and requirements for such projects, required compliance with municipal consent ordinances and resolutions, the limited use of eminent domain, and procedures for the division of the district; and firefighting and emergency medical services. The bill requires the district to be treated as a municipal utility district situated wholly within Harris County for purposes of any applicable evaluation by the Texas Commission of Environmental Quality of the economic feasibility of the district or its projects.

C.S.H.B. 4774 sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, impose a property tax for operations and maintenance, and impose contract taxes. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill requires the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes to not exceed one-fourth of the assessed value of the real property in the district at the time of issuance. The bill sets forth in detail the initial boundaries of the district. The bill defines the terms "board," "director," and "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. 4774 differs from the original by requiring the district, for purposes of any applicable evaluation by the Texas Commission on Environmental Quality of the economic feasibility of the district or its projects and bonds, debt service tax rate, maintenance tax rate, or overlapping tax rate, to be treated as a municipal utility district situated wholly within Harris County, Texas, whereas the original requires the district to be treated as a municipal utility district situated wholly within Chambers County, Texas for such purposes.