

Bryan W. Shaw, Ph.D., P.E., *Chairman*
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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 17, 2015

The Honorable Joe Straus
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 4156, as Filed by Representative Ron Reynolds - Relating to the creation of Missouri City Management District No.2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes

Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,


Linda Brookins, Director
Water Supply Division

cc: Honorable Doug Miller, Chairman, House Committee on Special Purpose Districts
Representative Ron Reynolds, Texas House of Representatives

Enclosure

HB 4156, as Filed by Senator Ron Reynolds
Texas Commission on Environmental Quality's Comments

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

The bill creates Missouri City Management District No. 2 (the "District") with the powers and duties of a municipal management (MMD) district under Local Government Code Chapter 375.

Comments on Powers/Duties Different from Similar Types of Districts: The mayor and members of the governing body of the City of Missouri City (the "City") shall appoint voting directors from persons recommended by the board, and a person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

A director is entitled to receive fees of office and reimbursement for actual expenses provided by Section 49.060, Water Code (relating to fees of office and reimbursement of expenses). Local Government Code Sections 375.069 and 375.070 (compensation of a director of an MMD) do not apply to the District.

The District may exercise: (1) the powers of a development corporation under Chapter 505, Local Government Code; and (2) the power to create a nonprofit corporation as a local government corporation under Subchapter D, Chapter 431, Transportation Code.

The District may annex land as provided by Subchapter J, Chapter 49, Water Code.

The District must receive City approval for: the issuance of bonds; the plans and specifications of an improvement project financed by bonds; and the plans and specifications of an improvement project related to the use of land owned by the City, an easement granted by the City, or a right-of-way of a street, road, or highway.

The District may not issue bonds until the governing body of the City adopts a resolution or ordinance authorizing the issuance of the bonds; however, if the District obtains the approval of the governing body of the City of a capital improvements budget for a period not to exceed 5 years, the District may finance the capital improvements and issue bonds specified in the budget without further approval from the City.

The District may not take any of the following actions until the City has consented by ordinance or resolution to the creation of the District and to the inclusion of land in the District: (1) hold an election under Subchapter L, Chapter 375, Local Government Code; (2) impose an ad valorem tax; (3) impose an assessment; (4) issue bonds; or (5) enter into an agreement to reimburse the costs of facilities.

The District may levy a maintenance tax and a contract tax as provided for in Sections 49.107 and 49.108 of the Water Code.

The District may not exercise the power of eminent domain.

The 1% cap limitation for the ratio of the District's outstanding debt to assessed valuation as required in Section 49.4645, Water Code does not apply to the District.

Except as provided by Section 375.263 (dissolution and assumption of assets and liabilities of a district by a municipality), Local Government Code, the City is not required to pay a bond, note, or other obligation of the District.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority (water, wastewater, and drainage facilities only) and review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4156
Bill Number

TO: The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

4/2/2015

Date transmitted to
Governor's Office


Chief Clerk
House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill.

April 2, 2015

Date transmitted to
Texas Commission on Environmental Quality


Governor

TO: The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.


Texas Commission on Environmental Quality



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