

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
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Richard A. Hyde, P.E., *Executive Director*



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) 4170, as Filed by Representative Cecil Bell - Relating to the creation of Valley Ranch Town Center Management District; 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,

A handwritten signature in cursive script that reads "Linda Brookins".

Linda Brookins, Director
Water Supply Division

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

Enclosure

HB 4170, as Filed by Representative Cecil Bell
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 Valley Ranch Town Center Management District (the "District") with the powers and duties of a standard municipal management district (MMD) under Local Government Code Chapter 375

Comments on Powers/Duties Different from Similar Types of Districts: The TCEQ shall appoint voting directors from persons recommended by the District's board.

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

The District may not exercise the power of eminent domain.

The District may designate reinvestment zones and may grant abatements of District taxes or assessments on property in the zones.

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. Subsection 49.107(h), which states that a maintenance tax for recreational facilities may not exceed 10 cents per \$100 is not applicable to the District.

By resolution, the District may authorize the creation of a nonprofit corporation to assist and act for the District in implementing a project or providing a service authorized by this chapter.

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.

Local Government Code section 375.264 states that a municipal management district may not be dissolved by its board if the district 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. The bill specifies that this section does not apply to the dissolution of the District by a municipality.

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 the review of bonds issued by the District (water, wastewater, and drainage facilities only) and the review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4170
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.

4/6/2015

Date transmitted to
Governor's Office

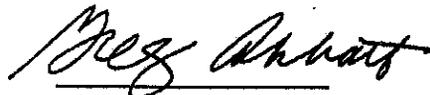

Chief Clerk
House of Representatives

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 6, 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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