

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 8, 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) 4201, as Filed by representative Wayne Smith - Relating to the creation of the Harris County Municipal Utility District No. 544; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and 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

Enclosure

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

HB 4201, as Filed by Representative Wayne Smith
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 Harris County Municipal Utility District No. 544 (the "District") with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Comments on Powers/Duties Different from Similar Types of Districts: The bill grants the District road powers;

The City of Houston (the "City") may annex all or part of the district into its corporate limits without annexing the entire District under the terms of a development agreement between the City of Houston and the owners of the land in the district that is covered by the development agreement. If a development agreement is not executed or the agreement has expired, nothing in this chapter limits the right of the City of Houston to annex the District;

If the City annexes all or part of the District into its corporate limits: (1) the District is not dissolved; (2) the ability of the District to issue bonds is not impaired or precluded; and (3) unless otherwise approved by the board and the governing body of the City, the city: (A) may not take over the property or other assets of the District; (B) may not assume any debts, liabilities, or other obligations of the District; (C) is not obligated to perform any functions of the District; and (D) is not obligated to pay a landowner or developer for expenses incurred by the landowner or developer in connection with the District that would otherwise be eligible for reimbursement from the proceeds of bonds issued by the District;

Notwithstanding Water Code Sections to the contrary, an allocation agreement between the City and the District that provides for the allocation of the taxes or revenues of the District and the city following the date of inclusion of all the District's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the City and the District from taxable property in the district may exceed the City's ad valorem tax on that property;

The District may not exercise the power of eminent domain outside the District without the written consent of the City; and

If the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

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 and the review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4201

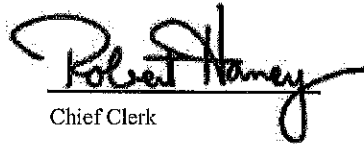
Bill Number

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.

4/21/2015

Date transmitted to
Governor's Office

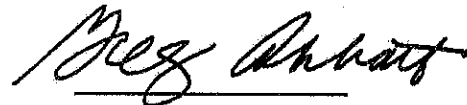

Chief Clerk
House of Representatives

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 23, 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

