

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*

March 30, 2017

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) 2332, as Filed by Representative Ed Thompson - Relating to the creation of the Brazoria County Management District No. 1; 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, reading "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director  
Water Supply Division

cc: Honorable Jim Murphy, Chairman, House Special Purpose Districts Committee  
Representative Ed Thompson, Texas House of Representatives

Enclosure

**HB 2332, as Filed by Representative Ed Thompson  
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:

This bill amends the Special District Local Laws code by adding Chapter 3944 which creates Brazoria County Management District No. 1 (District) with the powers and duties of a standard municipal management district (MMD) under Local Government Code Chapter 375, with the following specificities.

**Comments on Powers/Duties Different from Similar Types of Districts:** The temporary directors of the District may not hold a confirmation election and elect permanent directors until each municipality in whose corporate limits or extraterritorial jurisdiction the District is located has consented by ordinance or resolution to the creation of the District and to the inclusion of land in the District; a director is entitled to receive fees of office and reimbursement for actual expenses provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board; the bill requires the TCEQ to appoint the five initial temporary directors upon receipt of a petition from the owners of a majority of the assessed value of the real property in the district; the District may develop or finance recreational facilities; this bill grants the District authority for road projects; the District may exercise the powers given to a development corporation under Chapter 505, Local Government Code; the board by resolution may authorize the creation of a nonprofit corporation with the powers created under Subchapter D, Chapter 431, Transportation Code; the District may contract for or employ peace officers under Section 49.216, Water Code; the bill allows the District to create economic development programs and exercise economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code; specifies that the District may annex or exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the District; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; the District may not exercise the power of eminent domain; the board may not finance a service or improvement project with assessments under this chapter unless a written petition

requesting that service or improvement has been filed with the board; the District may not impose an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of: an electric utility or a power generation company; a gas utility; a telecommunications provider; or a person who provides to the public cable television or advanced telecommunication services; local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to: a tax imposed by the District; or a required payment for a service provided by the District, including water and sewer service; 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; Section 375.243, Local Government Code, states that the board may not call a bond election unless a written petition has been filed with the board requesting an election. The bill specifies that this section does not apply to the District; the District may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code; and, the board may dissolve the District regardless of whether the District has debt. Section 375.264, Local Government Code, does not apply to the District. If the District has debt when it is dissolved, the District shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

**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 and review of financial reports.

LETTER OF TRANSMITTAL  
HOUSE OF REPRESENTATIVES  
STATE OF TEXAS

HB 2332

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.

2/24/2017

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.

March 3, 2017

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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