

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 7, 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) 2744, as Filed by Representative Ana Hernandez - Relating to the creation of the Channelview Improvement District; providing authority to impose 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 "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director
Water Supply Division

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

Enclosure

**HB 2744, as Filed by Representative Ana Hernandez
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 3943 which creates the Channelview Improvement District (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375, with the following exceptions.

Comments on Powers/Duties Different from Similar Types of Districts: The bill also requires: the board president may not vote except to break a tie vote; this bill allows the District to do the following: exercise the powers of a development corporation under Subtitle C1, Title 12, Local Government Code; adopt rules to administer and operate the District; adopt rules for the use, enjoyment, availability, protection, security, and maintenance of the District's facilities, and for the provision of public safety and security in the District; issue bonds and lease, acquire, or construct a building or facility as provided by Subchapter A, Chapter 1509, Government Code; establish and administer a program as provided by Section 380.002, Local Government Code; and, add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code; the District may not employ peace officers; the District may not exercise the power of eminent domain; the District may not impose an ad valorem tax; Section 375.207, which requires the approval of bond issues for an improvement project and the plans and specifications of an improvement project by the governing body of the municipality in which the District is located, and Section 375.208, which requires TCEQ approval of bonds to provide water, sewage, or drainage facilities, do not apply to bonds issued under this section; the District may impose the sales and use tax and the excise tax in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of one percent; and, the board may dissolve the district by: board order unless the District has outstanding indebtedness or contractual obligations; or, written petition signed by 75 percent or more of

the individuals who own real property in 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 and review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

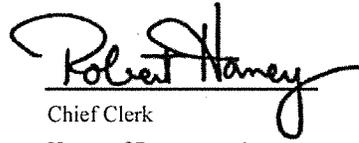
HB 2744
Bill Number

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.

3/6/2017

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 13, 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



85R HB 02744