

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

Protecting Texas by Reducing and Preventing Pollution

May 4, 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) 4294, as Filed by Representative Justin Holland - Relating to the creation of the North Celina Municipal Management District No. 3; providing a limited authority of eminent domain; providing authority to impose taxes, levy assessments, and issue bonds.

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 Justin Holland, Texas House of Representatives

Enclosure

**HB 4294, as Filed by Representative Justin Holland
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 3959 which creates the North Celina Municipal Management District No. 3 (District) with the powers and duties of a standard municipal management district (MMD) under Local Government Code Chapter 375 and a standard public improvement district under Local Government Code Chapter 372 with the following specificities.

Comments on Powers/Duties Different from Similar Types of Districts: 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 the District; Local Government Code Section 375.164 states that the board may exempt residential property from all or a part of the assessments levied on that property or determine that residential property will not be benefited by the proposed improvement project or services. The bill specifies that this section does not apply to the District; Local Government Code Chapter 375, Subchapter B, relating the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; this bill specifies that if all of the territory of the District is annexed by the City of Celina (City) into the City's corporate limits, the District retains all of the District's outstanding debt and obligations and continues to operate under this chapter until the District is dissolved; the District may undertake an improvement project or service that confers a special benefit on a definable area in the District and levy and collect a special assessment on benefited property in the District in accordance with: Chapter 372, Local Government Code; or Chapter 375, Local Government Code; the District may not construct or finance an improvement project, other than a water, sewer, or drainage facility or road, without obtaining the written consent of the City's governing body; a District improvement project may be located inside or outside of the District; before a District improvement project may be put into operation, the District must transfer ownership of the project to

the City. The transfer of ownership is complete on the City's acceptance of ownership; the District may not provide retail water or sewer services; the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code. The district may add territory only if the District obtains written consent from the governing body of the City; the District and any district created by division may not add a total area of more than 100 acres; the District may not exercise the power of eminent domain unless the District obtains written consent from the governing body of the City; the District, including territory added to the district under Section 3959.107, may be divided into two or more new districts only if the District has no outstanding bonded debt. Territory previously added to the District under Section 3959.107 may be included in a new district; the board, on its own motion or on receipt of a petition signed by an owner of real property in the District, may adopt an order proposing to divide the District; the new districts may contract with each other for any matter the boards of the new districts consider appropriate; the District may not impose an assessment on a municipality, county, or other political subdivision; the City may dissolve the District by ordinance; 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 bond review authority and review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4294
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.

3/29/2017

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.

April 7, 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 04294