

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*

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) 4303, as Filed by Representative DeWayne Burns - Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.

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 DeWayne Burns, Texas House of Representatives

Enclosure

**HB 4303, as Filed by Representative DeWayne Burns  
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 3954 which creates the Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal management district 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:** The initial directors shall hold an election to confirm the creation of the District and to elect five permanent directors as provided by Section 49.102, Water Code; Local Government Code Chapter 375, Subchapter B, relating to the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; 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 exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code; the bill allows the District to divide; 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 Section 375.207(a) states that a district must obtain approval of the municipality in which it is located for bond issues and plans and specifications for an improvement project before bonds may be issued, and Local Government Code Section 375.207(b) states that instead of approval of bonds by the municipality, a district may obtain approval of a capital improvements budget. The bill specifies that these sections do not apply to

the District; Local Government Code Section 375.208 states that a district must obtain approval of the TCEQ if it issues bonds to provide water, sewage, or drainage facilities. The bill specifies that this section does not apply to the District for a bond, note, or other obligation of the District payable from assessments; Local Government Code Section 375.243 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 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 4303  
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.

4/4/2017

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



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