

**BILL ANALYSIS**

C.S.S.B. 2293  
By: Creighton  
Special Purpose Districts  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties contend that an area located within Montgomery County would benefit from the creation of an improvement district. C.S.S.B. 2293 seeks to provide for the creation of such a district.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.S.B. 2293 amends the Special District Local Laws Code to create the Montgomery County Improvement District No. 1 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the creation of public facility corporations, the annexation or exclusion of land, the authority to define areas or designate certain property of the district to pay for certain services that primarily benefit that area or property and do not generally and directly benefit the district as a whole, the authority to adopt a sales and use tax, and the dissolution and municipal annexation of the district. The bill sets out the district's powers and duties, which include, subject to certain requirements, road utility district powers, the authority to enter into strategic partnership agreements, the authority to impose property, operation and maintenance, and contract taxes, and the authority to borrow money and to issue obligations. The bill prohibits the district from exercising the power of eminent domain.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

**COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 2293 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle C, Title 4, Special	SECTION 1. Subtitle C, Title 4, Special

District Local Laws Code, is amended by adding Chapter 3955 to read as follows:  
CHAPTER 3955. MONTGOMERY COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

SUBCHAPTER B. BOARD OF DIRECTORS

SUBCHAPTER C. POWERS AND DUTIES

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

SUBCHAPTER E. TAXES AND BONDS  
Sec. 3955.201. ELECTIONS REGARDING TAXES AND BONDS  
Sec. 3955.202. OPERATION AND MAINTENANCE TAX.  
Sec. 3955.203. CONTRACT TAXES.  
Sec. 3955.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.  
Sec. 3955.205. TAXES FOR BONDS.  
Sec. 3955.206. BONDS FOR RECREATIONAL FACILITIES. The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

SUBCHAPTER F. DEFINED AREAS

SUBCHAPTER G. SALES AND USE TAX

SUBCHAPTER H. DISSOLUTION AND MUNICIPAL ANNEXATION

SECTION 2. Sets out the metes and bounds of the district.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished

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SECTION 2. Same as engrossed version.

SECTION 3. Same as engrossed version.

under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

SECTION 4. Same as engrossed version.