

Jon Niermann, *Chairman*  
Emily Lindley, *Commissioner*  
Toby Baker, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 17, 2019

The Honorable Dennis Bonnen  
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) 4661, as Filed by Representative Ernest Bailes - Relating to the creation of Plum Creek Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes

Dear Speaker Bonnen:

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 La Caille".

Cari-Michel La Caille, Director  
Water Supply Division

cc: Honorable Garnet Coleman, Chairman, House County Affairs Committee  
Representative Ernest Bailes, Texas House of Representatives

Enclosure

**HB 4661, as Filed by Representative Ernest Bailes  
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 creates Plum Creek Management District No. 1 of Liberty County (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375.

**Comments on Powers/Duties Different from Similar Types of Districts:**

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; 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 to provide law enforcement services in the District; the District may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a District purpose; the bill allows the District to engage in economic development activities and exercise economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; the District may not construct, acquire, maintain, or operate a toll road; the District may construct, acquire, improve, maintain, finance, and operate rail facilities and improvements in aid of those facilities; the District may provide and coordinate rural public transportation in its territory in the manner provided by Sections 458.010 and 458.011, Transportation Code; the bill specifies that Section 458.012(a), related to public passenger transportation services, does not apply to the operations of the District; the bill specifies that the District may add 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 bill allows the District to divide; 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 bill specifies that Section 375.161, Local Government Code, related to certain residential property exemptions, does not apply to a tax authorized or approved by the voters of the District or a required payment for a service provided by the District, including water and sewer services; the bill specifies that Subchapter I, Chapter 49, Water Code, relating to competitive bidding applies to the District; 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 levy an operation and maintenance tax as provided for in Section 49.107 of the Water Code; Section 49.107(h), Water Code states that an operation and maintenance tax to be used for recreational facilities, as defined by Section 49.462, Water Code, levied by a district located in a county with a population of more than 3.3 million or in a county adjacent to that county may not exceed 10 cents per \$100 of assessed valuation of taxable property in the District; the bill specifies that this section does not apply to the District; the bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; the bill allows the District to establish defined areas.

**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.

