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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 14, 2021

The Honorable Dade Phelan
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) 4659, as Filed by Representative Greg Bonnen - Relating to the authority of the City of Kemah Municipal Management District No. 1 to provide water and sewer service, exercise certain powers, issue bonds, and impose fees, taxes, and assessments and to the validation of certain acts and proceedings of the district.

Dear Speaker Phelan:

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.

The bill amends Special District Local Laws Code, Chapter 3976, related to the City of Kemah Municipal Management District No. 1 with the following specificities: The District must hold an election to obtain voter approval before the District may impose an ad valorem tax. If authorized by a majority of the District voters voting at an election, the District may impose an operation and maintenance tax, not to exceed the rate approved at the election, on taxable property in the District for any District purpose, including to maintain and operate the district, construct or acquire improvements, or provide a service. The bill specifies that Section 375.243, Local Government Code, does not apply to the district. The bill repeals Sections 3976.0205, 3976.0206, and 3976.208(c) and (d), Special District Local Laws Code, related to board directors. The bill repeals Section 3976.0304, Special District Local Laws Code, related to ownership of improvement projects. The bill repeals Section 3976.0305, Special District Local Laws Code, which stipulated that the District may not provide retail water or sewer services. The bill repeals Section 3976.0501, Special District Local Laws Code, related to the District's bonds and other obligations. The bill repeals Section 3976.0502, Special District Local Laws Code, related to taxes for water, wastewater, and drainage purposes. Senate Bill 2228 filed by Senator Taylor is the companion to this bill.

Sincerely,

Cari-Michel La Caille, Director
Water Supply Division

cc: Honorable Philip Cortez, Chairman, House Urban Affairs Committee
Representative Greg Bonnen, Texas House of Representatives

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4659
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.

4/28/2021
Date transmitted to
Governor's Office

Robert Haney
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.

May 3, 2021
Date transmitted to
Texas Commission on Environmental Quality

Greg Abbott
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.

Carri Michel LaCaille
Texas Commission on Environmental Quality

87R HB 04659