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| BILL ANALYSIS |

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| H.B. 5394 |
| By: Bell, Cecil |
| County Affairs |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  Slight amendments are needed to the powers and boundaries of the Westwood Magnolia Parkway Improvement District. The district plays an integral part in ensuring the responsible development of its local area, primarily in decreasing traffic congestion. Areas near a large highway the district is constructing in conjunction with Montgomery County would benefit from being added into the district. Additionally, some other changes are needed in order to enhance the district's ability to carry out its purposes. H.B. 5394 seeks to address these issues by revising the district's enabling legislation. |
| **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**  H.B. 5394 amends Chapter 323, Acts of the 78th Legislature, Regular Session, 2003, to set out provisions relating to the Westwood Magnolia Parkway Improvement District. The bill adds specified territory to the district's territory. The bill authorizes the district's board of directors, if the board recommends at least three persons to fill a board vacancy and the vacancy remains on the 90th day after the date the board recommends the third person, to appoint a qualified person to fill the position for the remainder of the unexpired term without the consent of the appointing entity for that position.  H.B. 5394 authorizes the district to enter into an agreement with the Texas Department of Transportation in the same manner as a municipality relating to the provision of the location, relocation, improvement, control, supervision, and regulation of a designated state highway and the establishment of respective liabilities and responsibilities of the parties under the agreement. The bill authorizes the district to exercise the powers of a local authority under Transportation Code rules of the road provisions relating to traffic signs, signals, and markings.  H.B. 5394 authorizes the board to select the municipality that may exercise authority in the district in the same manner that a municipal utility district that is located in the extraterritorial jurisdictions of more than one municipality may select the municipality that may exercise authority within the municipal utility district as a whole.  H.B. 5394 expands from a municipality to an applicable local government the type of entities that may make or pledge payment to the district for an improvement project, facility, service, or equipment agreed to under an interlocal agreement. The bill prohibits an interlocal agreement of the district from conflicting with statutory municipal annexation provisions.  H.B. 5394 authorizes the district to enter into a strategic partnership agreement for the continuation of certain districts with an applicable district and specifies that for such purpose a reference in statutory provisions governing such an agreement to a municipality means the district. The bill requires the district, if the district enters into such an agreement to annex territory for a limited purpose, to annex the territory in the manner provided by the district's governing provisions relating to a change in district territory. The bill exempts the district from a provision authorizing a municipal management district with territory in the extraterritorial jurisdiction of a municipality to negotiate and enter into a written strategic partnership for the continuation of certain districts with the municipality.  H.B. 5394 does not affect the entitlement of a member serving on the district's board of directors immediately before the bill's effective date to continue to serve for the remainder of the member's term. The bill applies only to a strategic partnership agreement entered into or renewed by the district on or after the bill's effective date. |
| **EFFECTIVE DATE**  September 1, 2023. |