

BILL ANALYSIS

C.S.H.B. 5405
By: Raymond
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that an area in Webb County, outside of the extraterritorial jurisdiction of the City of Laredo, that is currently inside the boundaries of the Legacy Water Control and Improvement District would benefit from the conversion of the existing district to a management district. C.S.H.B. 5405 seeks to provide for the conversion of the existing district to a management 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.H.B. 5405 converts the Legacy Water Control and Improvement District to the Legacy Municipal Management District, governed by the bill's provisions.

C.S.H.B. 5405 amends the Special District Local Laws Code to set out those provisions and the purpose of the district, which is to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, the removal of district directors, district authority to add or exclude land, the district's dissolution and municipal annexation. The district's powers and duties include, subject to certain requirements, the authority to issue obligations and impose assessments, property, and operation and maintenance taxes. The bill provides for a cap on the operation and maintenance tax rate if the district has or has not held an election to authorize the tax. The bill prohibits the district from exercising the power of eminent domain.

C.S.H.B. 5405 establishes that the district retains all rights, powers, privileges, authority, duties, and functions that the Legacy Water Control and Improvement District had before the bill's effective date, except as otherwise provided by the bill's provisions. The bill validates and confirms all governmental acts and proceedings of the district that were taken before the bill's effective date, except any matter that on that date is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or that has been held invalid by a final court judgment.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5405 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced establishing that the Legacy Water Control and Improvement District is converted to the Legacy Municipal Management District and is governed by the bill's provisions.

The substitute does not include the provision that appeared in the introduced that exempted the district from the limitation on the outstanding principal amount of bonds, notes, and other obligations for parks and certain recreational facilities.

The substitute provides for the removal of district directors, whereas the introduced did not. The substitute omits the provision from the introduced that established additional requirements for the district directors.

While both the introduced and substitute cap the district's maintenance and operations tax rate at the rate approved at an election, the substitute clarifies the cap on the tax rate if the district has not held such an election.