

## **BILL ANALYSIS**

C.S.H.B. 5677  
By: Cole  
Intergovernmental Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee of the need for a management district to be created in Travis County for the benefit of certain undeveloped land and to deliver the essential infrastructure—water, wastewater, roadways, and drainage—that this area currently lacks. C.S.H.B. 5677 seeks to provide for the creation of the Pura Vida Municipal Management District No. 1.

### **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 rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 5677 amends the Special District Local Laws Code to create the Pura Vida Municipal Management District No. 1 to provide certain improvements, projects, and services for public use and benefit. The bill, among other provisions, grants the district the power to undertake certain road projects and provides for the addition or exclusion of land from the district, the division and dissolution of the district, and the creation of a nonprofit corporation and economic development programs. The district's powers and duties include, subject to certain requirements, the authority to issue obligations and to use proceeds from the hotel occupancy tax for a qualified project, impose assessments and sales and use tax, hotel occupancy, property, operation and maintenance, and contract taxes. The bill expressly prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all the members elected to each house and establishes that this provision is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

C.S.H.B. 5677 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- Texas Commission on Environmental Quality recommendations; and
- the state constitution and laws and legislative rules and procedures.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

## **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 5677 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.

While both versions authorize the district to use the proceeds from a hotel occupancy tax imposed under the bill's provisions for the purposes described by Tax Code provisions relating to use of revenue from county hotel occupancy taxes, the substitute does not include the specification from the introduced for the district to use those proceeds for any of the district's purposes and to the extent the board considers appropriate.