

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 3173  
By: Bell (Creighton)  
Intergovernmental Relations  
5/22/2017  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The committee substitute to H.B. 3173 would create the East Lake Houston Management District and amend the Harris County Improvement District No. 17.

The Harris County Improvement District No.17 was created in the 81st Regular Session, 2009, to facilitate the development of acreage outside of the City of Tomball into commercial developments. C.S.H.B. 3173 will enable the district to establish defined areas within the district, and set tax rates commensurate with the infrastructure burdens applicable to the defined areas.

The East Lake Houston Management District, which will encompass two separate non-contiguous parcels of raw land, is 435 acres in size. The district would facilitate the development of the land within its boundaries by providing for reimbursement to the developer(s) for development costs associated with both underground utilities, roads, drainage, detention, parks, recreation amenities, and improvements along the public rights of way. There is no utility service at this point in time that would enable the development of the raw land. It is contemplated that all of the land in the initial development will consist of single family housing residential developments. Future annexations into the district will likely also include some elements of supporting commercial development.

H.B. 3173 amends current law relating to the powers of the Harris County Improvement District No. 17 and to the creation of the East Lake Houston Management District, provides authority to issue bonds, and provides authority to impose assessments, fees, or taxes.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter D, Chapter 3891, Special District Local Laws Code, by adding Section 3891.159, as follows:

Sec. 3891.159. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) Provides that the Harris County Improvement District No. 17 has the powers of a municipal utility district under Subchapter J (Services for Certain Defined Areas and Designated Property), Chapter 54 (Municipal Utility Districts), Water Code, including the power to implement a plan, issue bonds, and impose a tax in a defined area established under that subchapter.

(b) Authorizes the Harris County Improvement District No. 17 to exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801 (Authority to Establish Defined Areas or Designated Property), Water Code.

SECTION 2. Amends Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3936, as follows:

## CHAPTER 3936. EAST LAKE HOUSTON MANAGEMENT DISTRICT

Sets forth standard language for the creation of the East Lake Houston Management District (district) in the City of Houston (city). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of, public purpose, and eligibility for inclusion in special zones of the district (Sections 3936.001-3936.050);

Size, composition, appointment, and compensation and reimbursement of expenses for the board of directors, including composition of the initial directors (Sections 3936.051-3936.100);

Powers and duties of the district (Sections 3936.101-3936.150);

General financial provisions and authority to impose a tax and issue bonds (Sections 3936.151-3936.250); and

Dissolution of the district by the city (Sections 3936.251-3936.253).

Prohibits the district from exercising the power of eminent domain.

SECTION 3. Sets forth the initial boundaries of the district.

SECTION 4. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 5. Effective date: upon passage or September 1, 2017.