

BILL ANALYSIS

Senate Research Center
85R15561 JXC-F

H.B. 4292
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Administration
5/17/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Fort Bend County Municipal Management District No. 1 (district) was created by the Legislature in 2013 and encompasses an area of land within Fort Bend County. The district was created for the purpose of being developed for commercial uses.

H.B. 4292 amends the district's creation legislation to authorize the district to provide for the compensation of members of the board of directors per board meeting for carrying out the business of the district and to authorize the levy of a sales and use tax. The compensation is limited to \$7200 a year, which is consistent with the compensation provided to MUD directors.

The sales and use tax must be approved by the voters and may not exceed two percent at any location in the district when combined with the other sales and use tax rates in the district.

H.B. 4292 amends current law relating to the powers and duties of the Fort Bend County Municipal Management District No. 1 and authorizes the imposition of a tax.

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 B, Chapter 3927, Special District Local Laws Code, by adding Section 3927.055, as follows:

Sec. 3927.055. COMPENSATION; EXPENSES. (a) Authorizes the Fort Bend County Municipal Management District No. 1 (district) to compensate each director in an amount not to exceed \$150 for each board meeting. Prohibits the total amount of compensation for each director in one year from exceeding \$7,200.

(b) Provides that a director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

SECTION 2. Amends Subchapter E, Chapter 3927, Special District Local Laws Code, by adding Section 3927.207, as follows:

Sec. 3927.207. SALES AND USE TAX. (a) Authorizes the district to impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Authorizes revenue from the tax to be used for any purpose for which ad valorem tax revenue of the district is authorized to be used.

(b) Prohibits the district from adopting a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) Provides that, if the voters of the district approve the adoption of the tax at a certain election and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Provides that Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

SECTION 3. Provides that all requirements of the constitution and 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 4. Effective date: September 1, 2017.