

## **BILL ANALYSIS**

Senate Research Center  
86R20513 SMT-F

H.B. 4694  
By: Cole (Watson)  
Intergovernmental Relations  
5/11/2019  
Engrossed

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

H.B. 4694 amends the Special District Local Laws Code to create the SH130 Municipal Management District No. 1 (district) within the extraterritorial jurisdiction of the City of Austin, subject to voter approval at a confirmation election, to provide certain improvements, projects, and services for public use and benefit.

The bill provides for, among other provisions, municipal management district powers, including water district powers, road district powers, public improvement district powers, and district eligibility for inclusion in special zones under the Tax Code. The bill allows the district to form a nonprofit corporation for the implementation of services, contract to provide law enforcement services, and engage in economic development programs. The bill also provides for the annexation or exclusion of district land and dissolution of the district.

The district's powers and duties include, subject to certain requirements, the power to levy taxes, including a sales and use tax and a hotel occupancy tax to support commercial and hospitality projects, and impose assessments and the power to issue obligations secured by ad valorem taxes, assessments, or any other district source of revenue. The district may issue bonds in the manner provided by Chapter 372, Local Government Code, only if the improvements financed by those bonds will be conveyed to or operated by a municipality or other retail provider pursuant to an agreement with that entity. Voter approval at an election is required for the district to impose an ad valorem tax, sales and use tax, or operation and maintenance tax. The bill prohibits the district from exercising the power of eminent domain.

H.B. 4694 amends current law relating to the creation of the SH130 Municipal Management District No. 1; provides authority to issue bonds; and provides authority to impose assessments, fees, and 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 Subtitle C, Title 4, Special District Local Laws Code, by adding Chapter 3971, as follows:

#### CHAPTER 3971. SH130 MUNICIPAL MANAGEMENT DISTRICT NO. 1

Sets forth standard language for the creation of the SH130 Municipal Management District No. 1 (district) within the extraterritorial jurisdiction of the City of Austin. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 3971.0101–3971.0108);

Size, composition, appointment procedure, and terms of the board of directors of the district, and provisions relating to initial directors (Sections 3971.0201–3971.0203);

Powers and duties of the district (Sections 3971.0301–3971.0310);

General financial provisions including authority to impose assessments (Sections 3971.0401–3971.0402);

Authority to impose taxes and to issue bonds and obligations for the district (Sections 3971.0501–3971.0705); and

Dissolution of the district (Section 3971.0901).

SECTION 2. Sets forth the initial boundaries of the district.

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 have been fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2019.