

BILL ANALYSIS

Senate Research Center

H.B. 1916
By: Holland (Hall)
Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In Texas, conservation and reclamation districts are a type of special district established for the purpose of regulating the resources in a service area. These special districts include municipal utility districts (MUDs), water control and improvement districts (WCIDs), and others. These districts have the authority to impose taxes and issue bonds.

Concerns have been raised that there is little oversight over their issuance of bonds and how funds are spent on improvement projects. This may result in bonds being issued without the support of the taxpayers, publicly financed projects being mismanaged, and little opportunity for public input. The lack of local input may result in bonds being issued for projects that cannot be supported by current or planned local infrastructure. There is a need for local feedback on the issuance and use of bonds by certain districts.

H.B. 1916 requires certain conservation and reclamation districts to receive written approval from a county commissioners court to issue bonds for a district improvement project or to finalize plans for certain district improvement projects that are funded by bonds. This only applies to districts in counties with a population of 100,000 or more and a total area that is less than 250 square miles.

H.B. 1916 amends current law relating to approval of subdivision plats, improvement projects, and certain special districts by certain counties.

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 A, Chapter 232, Local Government Code, by adding Section 232.012, as follows:

Sec. 232.012. COUNTY APPROVAL FOR CERTAIN DISTRICTS AND IMPROVEMENTS. (a) Provides that this section applies only to:

(1) a county with:

(A) a population of 100,000 or more; and

(B) a total area that is less than 250 square miles; and

(2) a district subject to Chapter 49 (Provisions Applicable to All Districts), Water Code, or Chapter 372 (Improvement Districts in Municipalities and Counties), of this code, that is:

(A) wholly located outside the corporate limits or extraterritorial jurisdiction of a municipality; and

(B) located in a county described by Subdivision (1).

(b) Requires that a plat application submitted to a county subject to this section include a plan for the provision of emergency services, including public safety, fire suppression, and emergency medical services, to the tract of land.

(c) Requires a developer of a subdivision of land outside the corporate limits or extraterritorial jurisdiction of a municipality to obtain the written approval of the commissioners court of the county before finalizing the plans and specifications for an improvement project that is:

(1) a road or drainage improvement that is within a plat that is subject to the platting jurisdiction of the county;

(2) a road or drainage improvement to be located on the property, right-of-way, or easement of the county; or

(3) a dedication of right-of-way of a road or highway by the developer to the county.

(d) Requires that a copy of the final official statement of bonds issued for an improvement described by Subsection (c) be provided by a district or other issuer of the bonds to the county clerk within 60 days of the date of closing of the transaction. Requires that the official statement include a statement on the cover that the bonds are not obligations of the county.

(e) Requires a developer of a subdivision of land outside the corporate limits or extraterritorial jurisdiction of a municipality, but within a district, to include a note on plats that the land is within a district that levies a tax or assessment and that the infrastructure to serve the land is financed, designed, and constructed by the district, not the county. Requires the county to prescribe the form and wording of the plat note.

(f) Requires a district that is subject to Subchapter M (Notices, Reports, and Bankruptcy), Chapter 49, Water Code, or Section 5.014 (Notice of Obligations Related to Public Improvement District), Property Code, to include in the required form of notice to purchasers the following statement: "The district is located in the unincorporated area of the county and not within any city jurisdiction. The infrastructure to serve the property is designed and constructed by the district, and not the county."

(g) Requires that the creation of a district be reviewed by the county as provided by this subsection. Requires the Texas Commission on Environmental Quality (TCEQ) to notify the commissioners court of the county promptly after a petition is filed with TCEQ or its successor agency to create a district. Requires the county to review the petition and application for creation and other evidence and information relating to the proposed district. Requires the commissioners court, in the event the commissioners court votes to submit information to TCEQ or to make a recommendation regarding the creation of the proposed district, at least 10 days before the date set for action on the petition, to provide to TCEQ a written recommendation and findings, conclusions, and other information supporting the recommendation. Requires TCEQ to consider the written opinion submitted by the county.

SECTION 2. Effective date: September 1, 2023.