

By: Rogers

H.B. No. 5406

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Cross Timbers Regional Utility Authority; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments and fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7966A to read as follows:

CHAPTER 7966A. CROSS TIMBERS REGIONAL UTILITY AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7966A.0101. DEFINITIONS. In this chapter:

(1) "Authority" means the Cross Timbers Regional Utility Authority.

(2) "Board" means the board of directors of the authority.

(3) "Director" means a member of the board.

Sec. 7966A.0102. NATURE OF AUTHORITY. (a) The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

(b) The authority is a political subdivision of this state.

Sec. 7966A.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the authority will benefit from the works and projects

1 accomplished by the authority under the powers conferred by Section
2 59, Article XVI, Texas Constitution.

3 (c) The creation of the authority is essential to accomplish
4 the purposes of Section 59, Article XVI, Texas Constitution.

5 SUBCHAPTER B. AUTHORITY TERRITORY

6 Sec. 7966A.0201. AUTHORITY TERRITORY. The authority is
7 composed of all of the territory contained in Palo Pinto County,
8 Parker County, and Stephens County, as that territory may have been
9 modified under:

10 (1) Subchapter H, Chapter 54, Water Code;

11 (2) Subchapter J, Chapter 49, Water Code; or

12 (3) other law.

13 SUBCHAPTER C. BOARD OF DIRECTORS

14 Sec. 7966A.0301. COMPOSITION OF BOARD; TERMS. (a) The
15 authority is governed by a board of seven directors.

16 (b) Directors are appointed as follows:

17 (1) one director appointed by the Commissioners Court
18 of Palo Pinto County;

19 (2) three directors appointed by the Commissioners
20 Court of Parker County;

21 (3) one director appointed by the Commissioners Court
22 of Stephens County; and

23 (4) two directors appointed by the city council of the
24 City of Mineral Wells.

25 (c) Directors serve staggered four-year terms. Directors
26 may not serve more than two terms.

27 (d) When a director's term expires, the appointing entity

1 shall appoint a successor.

2 (e) The board shall select a presiding officer from among
3 the directors who have served on the board for at least two years to
4 serve in that position for the remainder of the director's term.

5 Sec. 7966A.0302. QUALIFICATIONS FOR OFFICE. (a) Each
6 director must be a qualified voter of the county or municipality
7 that appoints the director.

8 (b) An officer, employee, or member of an appointing entity
9 may not be a director.

10 Sec. 7966A.0303. BOARD VACANCY. A vacancy in the office of
11 director shall be filled for the unexpired term, if applicable, by
12 the appointing entity that appointed the previous director.

13 Sec. 7966A.0304. REMOVAL FROM OFFICE. (a) Under
14 procedures adopted by board rule, the board may remove a director
15 from office only for malfeasance in office.

16 (b) The procedures must be designed to guarantee due process
17 to the director.

18 Sec. 7966A.0305. VOTING REQUIREMENT. A majority vote of
19 the board is required to adopt any measure.

20 SUBCHAPTER D. POWERS AND DUTIES

21 Sec. 7966A.0401. MUNICIPAL UTILITY DISTRICT POWERS. Except
22 as otherwise provided by this chapter, the authority has the
23 rights, powers, privileges, and functions conferred and imposed by
24 the general law applicable to a municipal utility district created
25 under Section 59, Article XVI, Texas Constitution, including those
26 conferred by Chapters 30, 49, and 54, Water Code.

27 Sec. 7966A.0402. ACQUISITION AND USE OF PROPERTY. The

1 authority may operate, control, purchase, construct, lease, or
2 acquire, inside or outside the boundaries of the authority,
3 property, works, facilities, or improvements, whether previously
4 existing or to be made, constructed, or acquired, that the board
5 finds necessary to carry out the powers granted by this chapter or
6 general law.

7 Sec. 7966A.0403. WATER RIGHTS. The authority may acquire,
8 develop, and use rights to groundwater or surface water.

9 Sec. 7966A.0404. EMINENT DOMAIN. To carry out an authority
10 power or purpose, the authority, in the manner provided by Chapter
11 49, Water Code, may exercise the power of eminent domain to acquire
12 land, an easement, or other property inside or outside the
13 authority's boundaries.

14 Sec. 7966A.0405. GENERAL CONTRACT POWERS. (a) The
15 authority may enter into a contract with a person, including a
16 political subdivision, on terms the board considers desirable,
17 fair, and advantageous for:

18 (1) the purchase or sale of raw or treated water;

19 (2) the purchase, lease, use, management, control, or
20 operation of water treatment or distribution facilities or sewer
21 collection and treatment facilities, all or part of the facilities
22 or systems owned by the other political subdivision, in accordance
23 with terms mutually agreed on by the governing bodies of the
24 contracting parties; or

25 (3) planning, making preliminary surveys,
26 investigations, or feasibility reports, engineering, or reports of
27 any kind.

1 (b) A contract for the acquisition of an existing water or
2 sewer facility may be made on terms approved by the contracting
3 parties.

4 (c) If changes in plans or specifications are necessary
5 after performance of a construction contract begins, the board may
6 approve change orders necessary to decrease or increase the amount
7 of materials, equipment, or supplies to be provided under the
8 contract or the amount of work to be performed. The total cost of
9 the change orders may not increase the original contract price by
10 more than 25 percent.

11 Sec. 7966A.0406. WATER, SEWER, SOLID WASTE, OR DRAINAGE
12 CONTRACTS; ELECTION NOT REQUIRED. The authority and a municipal
13 corporation or other political subdivision may enter into a water,
14 sewer, solid waste, or drainage contract or any combination of
15 those contracts without the necessity of an election by any
16 contracting party to approve the contract.

17 Sec. 7966A.0407. TREATMENT OF PAYMENTS UNDER CERTAIN
18 MUNICIPAL CORPORATION CONTRACTS. A payment by a municipal
19 corporation for the purchase of water or the treatment and disposal
20 of sewage is a maintenance and operating expense of the utility
21 system or combined systems of the municipal corporation unless the
22 contract:

23 (1) provides for the municipal corporation to acquire
24 an ownership interest in the facilities; or

25 (2) makes other provisions.

26 Sec. 7966A.0408. TAX PROHIBITION. The authority may not
27 impose a tax.

SUBCHAPTER E. BONDS

Sec. 7966A.0501. REVENUE BONDS. The authority may issue revenue bonds to carry out any of its powers, functions, or obligations.

Sec. 7966A.0502. BONDS FOR CERTAIN FACILITIES. If the authority operates a facility under contract with a municipal corporation, it may, if the contract permits the issuance, issue bonds to improve or extend the facility.

SECTION 2. (a) Not later than the 45th day after the effective date of this Act, the city council of the City of Mineral Wells and the commissioners courts of Palo Pinto County, Parker County, and Stephens County each shall appoint the appropriate number of directors to the board of directors of the Cross Timbers Regional Utility Authority as required under Section 7966A.0301, Special District Local Laws Code, as added by this Act.

(b) Notwithstanding Section 7966A.0301(e), Special District Local Laws Code, as added by this Act, at the first meeting of the board of directors of the Cross Timbers Regional Utility Authority after the effective date of this Act, the board shall select a presiding officer from among the directors appointed under Subsection (a) of this section to serve as presiding officer for the remainder of the director's term.

(c) The presiding officer selected under Subsection (b) of this section will serve an initial term that expires January 1, 2027. The six other directors appointed under Subsection (a) of this section shall draw lots to determine which three directors will serve initial terms that expire on January 1, 2025, and which

1 three directors will serve initial terms that expire January 1,
2 2027.

3 SECTION 3. (a) The legal notice of the intention to
4 introduce this Act, setting forth the general substance of this
5 Act, has been published as provided by law, and the notice and a
6 copy of this Act have been furnished to all persons, agencies,
7 officials, or entities to which they are required to be furnished
8 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
9 Government Code.

10 (b) The governor, one of the required recipients, has
11 submitted the notice and Act to the Texas Commission on
12 Environmental Quality.

13 (c) The Texas Commission on Environmental Quality has filed
14 its recommendations relating to this Act with the governor, the
15 lieutenant governor, and the speaker of the house of
16 representatives within the required time.

17 (d) All requirements of the constitution and laws of this
18 state and the rules and procedures of the legislature with respect
19 to the notice, introduction, and passage of this Act are fulfilled
20 and accomplished.

21 SECTION 4. (a) Section 7966A.0404, Special District Local
22 Laws Code, as added by Section 1 of this Act, takes effect only if
23 this Act receives a two-thirds vote of all the members elected to
24 each house.

25 (b) If this Act does not receive a two-thirds vote of all the
26 members elected to each house, Subchapter D, Chapter 7966A, Special
27 District Local Laws Code, as added by Section 1 of this Act, is

1 amended by adding Section 7966A.0404 to read as follows:

2 Sec. 7966A.0404. NO EMINENT DOMAIN POWER. The authority
3 may not exercise the power of eminent domain.

4 SECTION 5. This Act takes effect September 1, 2023.