

By: Lopez of Cameron, Louderback, Lozano,
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H.B. No. 4820

Substitute the following for H.B. No. 4820:

By: Lambert

C.S.H.B. No. 4820

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of obligations by certain water districts
bordering certain counties during a disaster declaration.

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

SECTION 1. Section 49.153, Water Code, is amended by
amending Subsections (c) and (e), and adding subsections (f), (g)
and (h) to read as follows:

(c) Except as provided by Subsection (e) and (f), a district
may not execute a note for a term longer than three years unless the
commission issues an order approving the note.

(d) This section does not apply to special water
authorities.

(e) Subsection (c) does not apply to:

(1) a note issued to and approved by:

(A) the Farmers Home Administration;

(B) the United States Department of Agriculture;

(C) the Texas Water Development Board;

(D) the North American Development Bank; or

(E) a federally chartered instrumentality of the
United States authorized under 12 U.S.C. Section 2128(f) to provide
financing for water and waste disposal facilities, provided that
the district that executes the note is located wholly in a county
that:

(i) does not contain a municipality that

1 has a population of more than 750,000; and

2 (ii) is not adjacent to a county described
3 by Subparagraph (i); ~~or~~

4 (2) a district described by Section [49.181\(h\)](#); ~~or~~ or

5 (3) districts whose territory is located wholly within
6 first tier coastal counties, as defined by Section [2210.003](#),
7 Insurance Code, subject to the requirements of Subsection (f).

8 (f) Notwithstanding any other law or limitations provided
9 in this Section, a district described in subsection (e)(3) may
10 issue notes during or prior to a disaster pursuant to the terms of a
11 note authorization provided that a certified copy of the note
12 authorization and all proceedings related to the issuance of notes
13 have been sent to the attorney general for approval in accordance
14 with Section [49.184](#). If a disaster declaration is made, a district
15 described in subsection (e)(3) may issue notes pursuant to this
16 Section beginning on the date of the disaster declaration and
17 continuing for the duration specified in the note authorization or
18 until the disaster declaration expires, whichever is later. Any
19 notes issued pursuant to this Section shall be incontestable in any
20 court or other forum, for any reason, and shall be valid and binding
21 obligations in accordance with their terms for all purposes.

22 (g) For purposes of this Section, the term note shall
23 include commercial paper notes if the terms of such notes meet the
24 requirements of Section [2256.013\(1\)](#), Government Code.

25 (h) For purposes of this Section "disaster declaration"
26 means declaration of a state of disaster or emergency made by the
27 president of the United States for the state or any portion of the

1 district's territory, or a declaration of a state of disaster is
2 made pursuant to Chapter 418, Government Code, for the entire state
3 or any portion of the district's territory, and any amendment,
4 modification, or extension of the declaration.

5 SECTION 3. Section 49.154, Water Code, is amended by
6 amending Subsection (d) to read as follows:

7 (d) Except for instances in which a disaster declaration as
8 described by 49.153(h) is in effect, ~~D~~districts required to seek
9 commission approval of bonds must have an application for such
10 approval on file with the commission prior to the issuance of bond
11 anticipation notes or tax anticipation notes. If a disaster
12 declaration is made, a district described in 49.153(e)(3) may issue
13 bond anticipation notes or tax anticipation notes as described by
14 subsection (b) beginning on the date of the disaster declaration
15 and continuing for the duration of the disaster declaration.

16 SECTION 4. Section 49.181, Water Code, is amended by
17 amending Subsection (h) to read as follows:

18 (h) This section does not apply to:

19 (1) a district if:

20 (A) the district's boundaries include one entire
21 county;

22 (B) the district was created by a special Act of
23 the legislature and:

24 (i) the district is located entirely within
25 one county;

26 (ii) the district is located entirely
27 within one or more home-rule municipalities;

1 (iii) the total taxable value of the real
2 property and improvements to the real property zoned by one or more
3 home-rule municipalities for residential purposes and located
4 within the district does not exceed 25 percent of the total taxable
5 value of all taxable property in the district, as shown by the most
6 recent certified appraisal tax roll prepared by the appraisal
7 district for the county; and

8 (iv) the district was not required by law to
9 obtain commission approval of its bonds before the effective date
10 of this section;

11 (C) the district is a special water authority;

12 (D) the district is governed by a board of
13 directors appointed in whole or in part by the governor, a state
14 agency, or the governing body or chief elected official of a
15 municipality or county and does not provide, or propose to provide,
16 water, sewer, drainage, reclamation, or flood control services to
17 residential retail or commercial customers as its principal
18 function;

19 (E) the district on September 1, 2003:

20 (i) is a municipal utility district that
21 includes territory in only two counties;

22 (ii) has outstanding long-term
23 indebtedness that is rated BBB or better by a nationally recognized
24 rating agency for municipal securities; and

25 (iii) has at least 5,000 active water
26 connections; or

27 (F) the district:

1 (i) is a conservation and reclamation
2 district created under Section 59, Article XVI, Texas Constitution,
3 that includes territory in at least three counties; and

4 (ii) has the rights, powers, privileges,
5 and functions applicable to a river authority under Chapter 30; or

6 (G) the district is a district described by
7 49.153(e)(3) if:

8 (i) a declaration of a state of disaster or
9 emergency, and any amendment, modification, or extension of said
10 declaration, made by the president of the United States for the
11 state or any portion of the district's territory, is in effect; or

12 (ii) a declaration of a state of disaster,
13 and any amendment, modification, or extension of said declaration,
14 made pursuant to Chapter 418, Government Code, for the entire state
15 or any portion of the district's territory, is in effect.

16 (2) a public utility agency created under Chapter 572,
17 Local Government Code, any of the public entities participating in
18 which are districts if at least one of those districts is a district
19 described by Subdivision (1)(E).

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the necessary vote, this Act takes effect
24 September 1, 2025.