

By: Lindsay

S.B. No. 623

A BILL TO BE ENTITLED

AN ACT

relating to the general powers and authority of water districts.

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

SECTION 1. Section 49.002, Water Code, is amended by adding Subsection (c) to read as follows:

(c) A district is not a municipality, local jurisdiction, or political subdivision for purposes of Chapter 388, Health and Safety Code.

SECTION 2. Section 49.068, Water Code, is amended to read as follows:

Sec. 49.068. CONTRACTS WITH GOVERNMENTAL ENTITIES [~~AGENCIES~~]. (a) The provisions of this chapter pertaining to bids and the Local Government Code notwithstanding, a district may purchase property from any governmental entity by negotiated contract without the necessity of securing appraisals or advertising for bids.

(b) The provisions of any other law or home-rule municipal charter notwithstanding, a municipality may contract with a district and the term of the contract may be of unlimited duration.

SECTION 3. Section 49.103, Water Code, is amended by adding Subsection (h) to read as follows:

(h) If authorized in the proceedings calling a director election, the secretary of the board, or the secretary's designee, acting on behalf of the board, shall on receipt of the certification

1 required by Section 2.052, Election Code, post a notice on or before  
2 the commencement of early voting at each polling place that would  
3 have been used in the election that the election is not to be held.  
4 If such notice is timely posted, no notice of election need be  
5 posted or published, ballots and election materials need not be  
6 prepared or printed, early and regular voting are not held, and the  
7 board shall meet at the earliest practicable time and declare each  
8 unopposed candidate elected to office.

9 SECTION 4. Subsection (a), Section 49.106, Water Code, is  
10 amended to read as follows:

11 (a) Before an election is held to authorize the issuance of  
12 bonds, other than refunding bonds, there shall be filed in the  
13 office of the district and open to inspection by the public an  
14 engineer's report covering the land, improvements, facilities,  
15 plants, equipment, and appliances to be purchased or constructed  
16 and their estimated cost, together with maps, plats, profiles, and  
17 data fully showing and explaining the report. The engineer's  
18 report shall not be considered to be part of the proposition or  
19 propositions to be voted on. The engineer's report shall not give  
20 rise to nor be considered a part of a contract with the voters.

21 SECTION 5. Subsection (a), Section 49.153, Water Code, is  
22 amended to read as follows:

23 (a) The board, without the necessity of an election, may  
24 borrow money on negotiable or nonnegotiable notes of the district  
25 to be paid solely from the revenues derived from the ownership of  
26 all or any designated part of the district's works, plants,  
27 improvements, facilities, or equipment after deduction of the

1 reasonable cost of maintaining and operating the facilities.

2 SECTION 6. Subsection (a), Section 49.181, Water Code, is  
3 amended to read as follows:

4 (a) A district may not issue bonds unless the commission  
5 determines that the project to be financed by the bonds is feasible  
6 and issues an order approving the issuance of the bonds. This  
7 section does not apply to refunding bonds, if the commission issued  
8 an order approving the issuance of the bonds or notes that  
9 originally financed the project, or bonds issued to and approved by  
10 the Farmers Home Administration, the United States Department of  
11 Agriculture, or the Texas Water Development Board.

12 SECTION 7. Subsections (a), (c), and (d), Section 49.226,  
13 Water Code, are amended to read as follows:

14 (a) Any personal property valued at more than \$300 or any  
15 land or interest in land owned by the district which is found by the  
16 board to be surplus and is not needed by the district may be sold  
17 under order of the board either by public or private sale, or the  
18 land, interest in land, or personal property may be exchanged for  
19 other land, interest in land, or personal property needed by the  
20 district. Except as provided in Subsection (b), land, interest in  
21 land, or personal property must be exchanged for like fair market  
22 value, which value may be determined by the district. In connection  
23 with the sale of surplus land, the board, in its discretion, may  
24 impose restrictions on the development and use of the land.

25 (c) Before [~~either~~] a public [~~or a private~~] sale of real  
26 property, the district shall give notice of the intent to sell by  
27 publishing notice once a week for two consecutive weeks in one or

1 more newspapers with general circulation in the district.

2 (d) If the district has outstanding bonds secured by a  
3 pledge of tax revenues, the proceeds of the sale of property  
4 originally acquired with bond proceeds shall be applied to retire  
5 outstanding bonds of the district or shall be held and treated as  
6 surplus bond proceeds and expended only as provided by the  
7 applicable rules of the commission relating to surplus bond  
8 proceeds.

9 SECTION 8. Section 49.234, Water Code, as added by Section  
10 15, Chapter 1423, Acts of the 77th Legislature, Regular Session,  
11 2001, is renumbered as Section 49.235, Water Code, and amended to  
12 read as follows:

13 Sec. 49.235 [~~49.234~~]. PROHIBITION OF CERTAIN PRIVATE  
14 ON-SITE FACILITIES. (a) A district or water supply corporation  
15 that operates a wastewater collection system to serve land within  
16 its boundaries by rule may prohibit the installation of private  
17 on-site wastewater holding or treatment facilities on land within  
18 the district that is not served by the district's or corporation's  
19 wastewater collection system. A district or corporation that has  
20 not received funding under Subchapter K, Chapter 17, may not  
21 require a property owner who [~~has already~~] installed an on-site  
22 wastewater holding or treatment facility before the adoption of  
23 such rule to connect to the district's or corporation's wastewater  
24 collection system.

25 (b) A district or water supply corporation that operates a  
26 water supply and distribution system to serve land within its  
27 boundaries by rule may prohibit the installation of private on-site

1 water wells on land within the district that is not served by the  
2 district's or corporation's water system. A district or  
3 corporation that has not received funding under Subchapter K,  
4 Chapter 17, may not require a property owner who installed an  
5 on-site water well before the adoption of such rule to connect to  
6 the district's or corporation's water system.

7 (c) A district or water supply corporation that prohibits an  
8 installation described by Subsection (a) or (b) shall agree to pay  
9 the owner of a particular tract the costs of connecting the tract to  
10 the district's or corporation's wastewater collection system or  
11 water system if the distance along a public right-of-way or utility  
12 easement from the nearest point of the district's or corporation's  
13 wastewater collection system or water system to the boundary line  
14 of the tract requiring such [~~wastewater collection~~] services is 300  
15 feet or more, subject to commission rules regarding reimbursement  
16 of those costs.

17 SECTION 9. Section 49.271, Water Code, is amended by adding  
18 Subsection (e) to read as follows:

19 (e) District contracts for construction work may provide  
20 for economic incentives for early completion of the work or  
21 economic disincentives for late completion of the work.

22 SECTION 10. Section 49.273, Water Code, is amended by  
23 adding Subsection (l) to read as follows:

24 (l) The board is not required to advertise or seek  
25 competitive bids for security and surveillance systems or  
26 components of or additions to district facilities relating to  
27 security or surveillance, including systems used for the prevention

1 of terrorist or criminal acts and incidents and acts of war, if the  
2 board finds that advertising or seeking competitive bids would  
3 compromise the safety and security of district facilities or  
4 residents.

5 SECTION 11. Section 49.303, Water Code, is amended to read  
6 as follows:

7 Sec. 49.303. EXCLUDING LAND FROM DISTRICT. (a) A district  
8 may not exclude land or other property from the district as provided  
9 by this subchapter if the district has issued [~~Before a district~~  
10 ~~orders an election for the authorization of]~~ bonds payable in whole  
11 or in part from taxes and such bonds are outstanding. A district  
12 may exclude land or other property from the district as provided by  
13 this subchapter if no district bonds payable in whole or in part  
14 from taxes are outstanding[~~, the board may, on its own motion, call~~  
15 ~~a hearing on the question of the exclusion of land from the district~~  
16 ~~under the provisions of this section and Sections 49.304 through~~  
17 ~~49.307, if the exclusions are practicable, just, or desirable].~~

18 (b) If no district bonds payable in whole or in part from  
19 taxes are outstanding, the [~~The~~] board may, on its own motion,  
20 [~~must~~] call a hearing on the question of the exclusion of land or  
21 other property from the district as provided by this subchapter,  
22 provided the exclusions are practicable, just, or desirable [~~on the~~  
23 ~~written petition of any landowner or property owner in the district~~  
24 ~~filed with the secretary of the board before the first election on~~  
25 ~~the question of whether bonds should be issued payable in whole or~~  
26 ~~in part from taxes is ordered].~~

27 (c) If no district bonds payable in whole or in part from

1 taxes are outstanding, the ~~[The]~~ board may hold, in its discretion,  
2 a hearing on the exclusion of land or other property from the  
3 district as provided by this subchapter ~~[if the district has not~~  
4 ~~issued bonds payable in whole or in part from taxes, and]~~ if a  
5 landowner or property owner submits a signed petition to the  
6 secretary of the board evidencing the consent of the owners of a  
7 majority of the acreage proposed to be excluded and a majority of  
8 the taxable property in the district, as reflected by the most  
9 recent certified tax roll of the district.

10 (d) A district that has previously held an election at which  
11 approval was given for the issuance of bonds payable in whole or in  
12 part from taxes may not rely on that election for the issuance of  
13 the bonds if after the bond election, but before the bonds are  
14 issued, land is excluded from the district as provided by this  
15 subchapter. The board must call and hold another bond election and  
16 receive voter approval ~~[as provided by this subchapter]~~ before  
17 issuing those bonds.

18 SECTION 12. Subsections (a), (k), and (l), Section 49.351,  
19 Water Code, are amended to read as follows:

20 (a) A district providing potable water or sewer service to  
21 household users may establish, operate, and maintain a fire  
22 department to perform all fire-fighting services ~~[activities]~~  
23 within the district as provided in this subchapter and may issue  
24 bonds or impose a mandatory fee, with voter approval, for financing  
25 a plan approved in accordance with this section, including the  
26 construction and purchase of necessary buildings, facilities,  
27 land, and equipment and the provision of an adequate water supply.

1 (k) In this section, "fire-fighting services [~~activities~~]"  
2 means all of the customary and usual activities of a fire  
3 department, including fire suppression, fire prevention, training,  
4 safety education, maintenance, communications, medical emergency  
5 services, photography, and administration.

6 (l) Notwithstanding the requirements of Subsections  
7 (a)-(j), a district providing potable water or sewer service to  
8 household users may as part of its billing process collect from its  
9 customers a voluntary contribution on behalf of organizations  
10 providing fire-fighting services [~~activities~~] to the district. A  
11 district that chooses to collect a voluntary contribution under  
12 this subsection must give reasonable notice to its customers that  
13 the contribution is voluntary. Water and sewer service may not be  
14 terminated as a result of failure to pay the voluntary  
15 contribution.

16 SECTION 13. Subsection (d), Section 49.455, Water Code, is  
17 amended to read as follows:

18 (d) The information form required by this section shall be  
19 filed with the county clerk [~~within 48 hours after the effective~~  
20 ~~date of this section or~~] within 48 hours after the district is  
21 officially created[~~, whichever time comes first~~]. For purposes of  
22 this section, the words "officially created" mean the date and hour  
23 in which the results of the election to confirm the creation of the  
24 district are declared.

25 SECTION 14. Subsection (b), Section 51.121, Water Code, is  
26 amended to read as follows:

27 (b) A water control and improvement district organized



1 under the provisions of Article XVI, Section 59, of the Texas  
2 Constitution, may provide for:

3 (1) the control, storage, preservation, and  
4 distribution of its water and floodwater and the water of its rivers  
5 and streams for irrigation, power, and all other useful purposes;

6 (2) the reclamation and irrigation of its arid,  
7 semiarid, and other land which needs irrigation;

8 (3) the reclamation, drainage, conservation, and  
9 development of its forests, water, and hydroelectric power,  
10 including the reuse and recycling of water;

11 (4) the navigation of its coastal and inland water;

12 (5) the control, abatement, and change of any shortage  
13 or harmful excess of water;

14 (6) the protection, preservation, and restoration of  
15 the purity and sanitary condition of water within the state; and

16 (7) the preservation and conservation of all natural  
17 resources of the state.

18 SECTION 15. Section 51.125, Water Code, is amended to read  
19 as follows:

20 Sec. 51.125. CONSTRUCTION OF IMPROVEMENTS. A district may  
21 construct all works and improvements necessary:

22 (1) for the prevention of floods;

23 (2) for the irrigation of land in the district;

24 (3) for the drainage of land in the district,  
25 including drainage ditches or other facilities for drainage;

26 (4) for the construction of levees to protect the land  
27 in the district from overflow;

1 (5) to alter land elevations where correction is  
2 needed; and

3 (6) to supply water, including the reuse and recycling  
4 of water, for municipal uses, domestic uses, power and commercial  
5 purposes, and all other beneficial uses or controls.

6 SECTION 16. Section 54.012, Water Code, is amended to read  
7 as follows:

8 Sec. 54.012. PURPOSES OF A DISTRICT. A district shall be  
9 created for the following purposes:

10 (1) the control, storage, preservation, and  
11 distribution of its storm water and floodwater, the water of its  
12 rivers and streams for irrigation, power, and all other useful  
13 purposes;

14 (2) the reclamation and irrigation of its arid,  
15 semiarid, and other land needing irrigation;

16 (3) the reclamation and drainage of its overflowed  
17 land and other land needing drainage;

18 (4) the conservation and development of its forests,  
19 water, and hydroelectric power, including the reuse and recycling  
20 of water;

21 (5) the navigation of its inland and coastal water;

22 (6) the control, abatement, and change of any shortage  
23 or harmful excess of water;

24 (7) the protection, preservation, and restoration of  
25 the purity and sanitary condition of water within the state; and

26 (8) the preservation of all natural resources of the  
27 state.

1 SECTION 17. Subsection (b), Section 54.201, Water Code, is  
2 amended to read as follows:

3 (b) A district is authorized to purchase, construct,  
4 acquire, own, operate, maintain, repair, improve, or extend inside  
5 and outside its boundaries any and all works, improvements,  
6 facilities, plants, equipment, and appliances necessary to  
7 accomplish the purposes of the district as authorized by the  
8 constitution, this code, or any other law [~~its creation~~], including  
9 all works, improvements, facilities, plants, equipment, and  
10 appliances incident, helpful, or necessary to:

11 (1) supply water for municipal uses, domestic uses,  
12 power, and commercial purposes and all other beneficial uses or  
13 controls;

14 (2) collect, transport, process, dispose of, and  
15 control all domestic, industrial, or communal wastes whether in  
16 fluid, solid, or composite state;

17 (3) gather, conduct, divert, and control local storm  
18 water or other local harmful excesses of water in a district;

19 (4) irrigate the land in a district;

20 (5) alter land elevation in a district where it is  
21 needed;

22 (6) navigate coastal and inland waters of the  
23 district; [~~and~~]

24 (7) provide parks and recreational facilities for the  
25 inhabitants in the district; and

26 (8) encourage and provide for water conservation,  
27 including water reuse and recycling [~~, subject to Subchapter I of~~

1 ~~this chapter].~~

2 SECTION 18. Subchapter D, Chapter 54, Water Code, is  
3 amended by adding Section 54.2052 to read as follows:

4 Sec. 54.2052. PLUMBING CODE. Notwithstanding any law to  
5 the contrary, a district may, but shall not be required to, adopt  
6 and enforce one or more plumbing codes meeting the standards and  
7 requirements of the rules and laws of this state and may amend any  
8 provisions of such codes, if adopted, to conform to local concerns  
9 that do not substantially vary from rules or laws of this state.

10 SECTION 19. Section 54.234, Water Code, is amended to read  
11 as follows:

12 Sec. 54.234. ACQUIRING ROAD UTILITY DISTRICT POWERS. Any  
13 district~~[7]~~ which has the power to levy taxes~~[7]~~ may~~[7, with the~~  
14 ~~approval of the commission,]~~ petition the commission ~~[Texas~~  
15 ~~Transportation Commission]~~ to acquire the powers granted to road  
16 utility districts operating pursuant to Chapter 441,  
17 Transportation Code, under the authority of Article III, Section  
18 52, Texas Constitution. As soon as practicable after a [such]  
19 petition has been filed with the commission, the commission ~~[Texas~~  
20 ~~Transportation Commission, the Texas Transportation Commission~~  
21 ~~shall conduct a hearing in accordance with Chapter 441,~~  
22 ~~Transportation Code, and]~~ shall issue an order ~~[in accordance with~~  
23 ~~Chapter 441, Transportation Code,]~~ either approving or denying the  
24 [such] petition. ~~[Any district so petitioning the Texas~~  
25 ~~Transportation Commission shall conform to the rules applicable to~~  
26 ~~the creation and administration of such districts as provided by~~  
27 ~~Chapter 441, Transportation Code.]~~ In the event of any conflict

1 between the provisions of the Water Code and the general laws of  
2 this state applicable to the district and the provisions of Chapter  
3 441, Transportation Code, the provisions of the Water Code and the  
4 general laws of this state applicable to the district shall  
5 prevail.

6 SECTION 20. Section 54.503, Water Code, is amended to read  
7 as follows:

8 Sec. 54.503. MANNER OF REPAYMENT OF BONDS. The board may  
9 provide for the payment of principal of and interest and redemption  
10 price on the bonds in any one of the following manners:

11 (1) from the levy and collection of ad valorem taxes on  
12 all taxable property within the district;

13 (2) by pledging all or any part of the designated  
14 revenues to result from the ownership or operation of the  
15 district's works, improvements, facilities, plants, equipment, and  
16 appliances or under specific contracts for the period of time the  
17 board determines;

18 (3) by pledging all or part of any funds or revenues  
19 available to the district; or

20 (4) a combination of the sources set forth in  
21 Subdivisions (1), ~~and~~ (2), and (3) ~~[of this section]~~.

22 SECTION 21. Section 54.505, Water Code, is amended to read  
23 as follows:

24 Sec. 54.505. ELECTION ON TAX BONDS. Bonds payable solely  
25 from revenues may be issued by resolution or order of the board  
26 without an election, but no bonds, except refunding bonds, payable  
27 wholly or partially from ad valorem taxes shall be issued until

1 authorized by a majority vote of the resident electors of the  
2 district voting in an election called and held for that purpose. An  
3 election is not required to pledge revenues to the payment of bonds.

4 SECTION 22. Section 54.739, Water Code, is amended to read  
5 as follows:

6 Sec. 54.739. SUBSTITUTING LAND OF EQUAL [~~ACREAGE AND~~]  
7 VALUE. After the district is organized and acquires facilities  
8 with which to function for the purposes for which it was  
9 organized[~~r~~] and votes, issues, and sells bonds for such purposes,  
10 land within the district boundaries subject to taxation that does  
11 not need or utilize the services of the district may be excluded and  
12 other land not within the boundaries of the district may be included  
13 within the boundaries of the district, without impairment of the  
14 security for payment of such bonds or invalidation of any prior bond  
15 election, as provided by [~~the provisions of~~] this section and  
16 Sections 54.740 [~~54.741~~] through 54.747 [~~54.748 subject to~~  
17 ~~commission approval~~].

18 SECTION 23. Section 54.744, Water Code, is amended to read  
19 as follows:

20 Sec. 54.744. IMPAIRMENT OF SECURITY. For purposes of the  
21 board's consideration of the applications, the lands proposed for  
22 inclusion shall be deemed to be sufficient to avoid an impairment of  
23 the security for payment of obligations of the district if:

24 (1) according to the county tax rolls, the taxable  
25 value of such included lands equals or exceeds the taxable value of  
26 the excluded lands;

27 (2) either the estimated costs of providing district

1 facilities and services to such included lands is equal to or less  
2 than the estimated costs of providing district facilities and  
3 services to the excluded lands, or any increased estimated costs of  
4 providing such facilities and services to the included land, as  
5 determined by the district's engineer, can be amortized at  
6 prevailing bond interest rates and maturity schedules and the  
7 prevailing debt service tax rate of the district at such time, as  
8 determined by the district's professional financial advisor, when  
9 applied to the increase in taxable value of the included land over  
10 the taxable value of the excluded land; and

11 (3) the district's outstanding bonds or contract  
12 obligations are payable in whole or in part by a pledge of net  
13 revenues from the ownership or operation of the district's  
14 facilities, and the projected net revenues to be derived from the  
15 lands to be included during the succeeding 12-month period, as  
16 determined by the district's engineer, equals or exceeds the  
17 projected net revenues that would otherwise have been derived from  
18 the lands to be excluded during the same period.

19 SECTION 24. Subsection (b), Section 57.015, Water Code, is  
20 amended to read as follows:

21 (b) The notice shall be posted at the courthouse door and at  
22 a place [~~four different places~~] inside the proposed district. If  
23 the district is located in more than one county, the person posting  
24 the notice shall post a copy at the courthouse door in each county  
25 in which any portion of the proposed district is located and at a  
26 place [~~four separate places~~] inside the boundaries of that portion  
27 of the district located in each county. The notice shall be posted

1 for at least 10 days before the date of the hearing.

2 SECTION 25. Subsection (a), Section 57.092, Water Code, is  
3 amended to read as follows:

4 (a) The district may enter into all necessary and proper  
5 contracts and employ all persons and means necessary to purchase,  
6 acquire, build, construct, complete, carry out, maintain, protect,  
7 and, in case of necessity, add to and rebuild all works and  
8 improvements necessary or proper to fully accomplish the purposes  
9 of the district, including the reclamation of all land within [a  
10 reclamation plan lawfully adopted for] the district.

11 SECTION 26. Section 57.104, Water Code, is amended to read  
12 as follows:

13 Sec. 57.104. CONSTRUCTION OF [DUTY TO CONSTRUCT APPROVED]  
14 IMPROVEMENTS. The district may [shall] construct all improvements  
15 necessary or convenient to accomplish the purposes of the district  
16 [included in the plan of reclamation approved by the commission].

17 SECTION 27. Section 57.108, Water Code, is amended to read  
18 as follows:

19 Sec. 57.108. CONDITIONS OF CONTRACT. [~~(a)~~ ~~In order to~~  
20 ~~complete the acquisition or construction of planned improvements~~  
21 ~~for the amount of money or bonds available for that purpose, the~~  
22 ~~contract shall include all levee improvements proposed to be~~  
23 ~~constructed and authorized by the approved plan of reclamation.~~

24 [~~(b)~~] Contracts may be awarded or entered in sections for  
25 the purpose of the purchase, acquisition, construction, and  
26 improvement of pumping equipment, reservoirs, culverts, bridges,  
27 and drainage improvements as these may become necessary[, ~~but as~~



1 ~~funds are available, the district shall comply with Section~~  
2 ~~57.104].~~

3 SECTION 28. Section 57.116, Water Code, is amended to read  
4 as follows:

5 Sec. 57.116. ENGINEER'S CONSTRUCTION REPORT. (a) As [~~the~~]  
6 work [~~on the plan of reclamation~~] progresses on the district's  
7 improvements, the engineer shall make a report to the board[~~7~~]  
8 showing in detail whether or not the contract is being fulfilled.

9 (b) When the work is completed, the engineer shall make a  
10 detailed report to the board[~~7~~] showing whether or not the contract  
11 has been completely fulfilled, and if not, in what particular it has  
12 not been fulfilled.

13 SECTION 29. Subsection (b), Section 57.117, Water Code, is  
14 amended to read as follows:

15 (b) If the executive director finds that the work has not  
16 been done in strict accordance with the contract, he shall  
17 officially certify this fact, and in the certificate he shall state  
18 where the contractor has failed to comply with the contract  
19 [~~approved plan of reclamation~~].

20 SECTION 30. Section 57.118, Water Code, is amended to read  
21 as follows:

22 Sec. 57.118. COMPLIANCE WITH CONTRACT. After the board  
23 receives a report that the contractor has failed to comply with the  
24 contract, it shall demand that the contractor comply with the  
25 requirements of the contract [~~approved plan of reclamation~~] at his  
26 own expense, and no further accounts, claims, or vouchers submitted  
27 by the contractor shall be approved or paid until the contractor

1 complies with the requirements of the executive director by  
2 constructing the improvement in accordance with the contract [~~plan~~  
3 ~~of reclamation~~].

4 SECTION 31. The heading of Subchapter E, Chapter 57, Water  
5 Code, is amended to read as follows:

6 SUBCHAPTER E. ENGINEER'S REPORT [~~PLAN OF RECLAMATION~~]

7 SECTION 32. Section 57.154, Water Code, is amended to read  
8 as follows:

9 Sec. 57.154. SURVEY AND REPORT. [~~(a)~~] The engineer shall  
10 make a survey of the land inside the boundaries of the district, and  
11 land surrounding the district, that will be improved or reclaimed  
12 by the system of levees and drainage to be adopted and shall prepare  
13 for the board a written report, with maps and profiles, of the  
14 results of his survey.

15 [~~(b) A duplicate of the engineer's report shall be filed with~~  
16 ~~and approved by the commission.~~]

17 SECTION 33. Subsections (a) and (c), Section 57.177, Water  
18 Code, are amended to read as follows:

19 (a) If the district wants to carry out its purposes [~~plan of~~  
20 ~~reclamation~~] without issuing bonds, the board may arrange for  
21 contributions from landowners or other sources to provide the funds  
22 required to complete the improvements.

23 (c) If the district creates an indebtedness under this  
24 section, the indebtedness may not be more than:

25 (1) the cost of construction of the improvements  
26 included in the engineer's report [~~plan of reclamation~~];

27 (2) the cost as approved by the commission of

1 maintaining the improvements for two years; and

2 (3) an additional amount equal to 10 percent to meet  
3 emergencies, modifications, and changes lawfully made, plus  
4 damages awarded against the district.

5 SECTION 34. Subsection (b), Section 57.208, Water Code, is  
6 amended to read as follows:

7 (b) The bonds shall be known as "Levee Improvement Bonds."  
8 ~~[and shall state on their face the purpose for which they are~~  
9 ~~issued.]~~

10 SECTION 35. Section 57.216, Water Code, is amended to read  
11 as follows:

12 Sec. 57.216. PROVIDING FOR ADDITIONAL FUNDS. (a) If the  
13 improvements in the engineer's report ~~[plan of reclamation adopted~~  
14 ~~for the district]~~ are insufficient to reclaim all of the land and  
15 other property inside the district, extensive repairs or additions  
16 to the improvements are necessary, or additional funds are needed  
17 to complete improvements, the board may provide additional funds  
18 for the district by following the provisions of this chapter for  
19 raising funds ~~[for the original plan of reclamation]~~.

20 (b) If the board creates additional indebtedness or issues  
21 additional bonds, the indebtedness or bonds are subject to the  
22 provisions of this chapter relating to the issuance of bonds. ~~[The~~  
23 ~~new or amended plan of reclamation must be approved by the~~  
24 ~~commission.]~~

25 SECTION 36. Subsection (a), Section 57.260, Water Code, is  
26 amended to read as follows:

27 (a) If a district levies taxes on the benefit basis, the

1 commissioners court of each county in which any portion of that  
2 district is located shall levy and have assessed and collected  
3 taxes on all taxable property inside the district, based on the net  
4 benefits which the commissioners of appraisement find will accrue  
5 to each piece of property from the improvements described in the  
6 engineer's report [~~completion of the plan of reclamation~~] or other  
7 authorized improvement.

8 SECTION 37. Section 57.261, Water Code, is amended to read  
9 as follows:

10 Sec. 57.261. APPOINTMENT OF COMMISSIONERS OF APPRAISEMENT.  
11 The [~~After the plan of reclamation is approved and adopted, the~~]  
12 commissioners court of the county of jurisdiction in a district  
13 levying taxes on the benefit basis shall appoint three  
14 disinterested commissioners, known as "commissioners of  
15 appraisement."

16 SECTION 38. Subsections (c) and (d), Section 57.265, Water  
17 Code, are amended to read as follows:

18 (c) The commissioners of appraisement shall view:  
19 (1) the land inside the district;  
20 (2) other land which will be affected by the engineer's  
21 report [~~plan of reclamation~~] if carried out;  
22 (3) all public roads, railroads, rights-of-way, and  
23 other property or improvements located on the land; and  
24 (4) land inside or outside the district which may be  
25 acquired under the provisions of this chapter for any purpose  
26 connected with or incident to carrying out the engineer's report  
27 [~~plan of reclamation~~].

1 (d) The commissioners of appraisement shall assess the  
2 amounts of benefits and all damages that will accrue to any tract of  
3 land inside the district or any land outside the district which may  
4 be affected by the engineer's report [~~plan of reclamation~~], or any  
5 public highway, railroad, right-of-way, roadway, or other  
6 property.

7 SECTION 39. Subsection (a), Section 57.266, Water Code, is  
8 amended to read as follows:

9 (a) The commissioners of appraisement shall prepare a  
10 report of their findings. The report shall include:

11 (1) the name of the owner of each piece of property  
12 examined and assessed;

13 (2) a description which will identify each piece of  
14 property; and

15 (3) the value of all property to be taken or acquired  
16 for rights-of-way or any other purposes connected with carrying out  
17 the engineer's report [~~plan of reclamation as finally approved by~~  
18 ~~the commission~~].

19 SECTION 40. Subsections (b), (c), and (d), Section 57.267,  
20 Water Code, are amended to read as follows:

21 (b) The notice shall be published in a newspaper published  
22 in each county in which any part of the district is located, or in  
23 which any land lies that will be in any way affected by the proposed  
24 engineer's report [~~plan of reclamation~~]. The notice shall be  
25 published once a week for two consecutive weeks before the date of  
26 the hearing.

27 (c) The notice shall be in substantially the following form:

1           To the owners and all other persons having any interest in  
2 land lying in \_\_\_\_\_ County, take notice, that a copy of the  
3 engineer's report [~~plan of reclamation~~] of the \_\_\_\_\_ Levee  
4 Improvement District has been filed in the district's office [~~with~~  
5 ~~the county clerk of this county~~] and that the commissioners of  
6 appraisement have been appointed to assess benefits and damages  
7 accruing to land or other property inside or outside the levee  
8 district which will be benefited, taken, damaged, or affected in  
9 some way by the carrying out of the engineer's report [~~plan of~~  
10 ~~reclamation~~]. The report of the commissioners of appraisement has  
11 been filed in my office at \_\_\_\_\_, and all interested  
12 persons may examine the report and make an objection to all or any  
13 part of the report. A person who claims damage to his land and to  
14 whose land no damages have been assessed in the report must file a  
15 claim for damage in my office on or before \_\_\_\_\_, 20[19]\_\_\_\_\_. A  
16 person who fails to make an objection or to file a claim for damages  
17 is deemed to have waived his right to object or claim damages. The  
18 commissioners of appraisement will meet on \_\_\_\_\_, 20[19]\_\_\_\_\_,  
19 to hear and act on objections to their report and claims for  
20 damages.

21 \_\_\_\_\_  
22 Secretary, Board of Directors

23 \_\_\_\_\_ Levee Improvement District

24           (d) The secretary shall mail written notice to each person  
25 whose property is listed in the report of the commissioners of  
26 appraisement, if the office address is known. This notice shall  
27 state in substance:

1           (1) that the report of the commissioners of  
2 appraisal assessing benefits and damages accruing to land and  
3 other property because of the engineer's report [~~plan of~~  
4 ~~reclamation~~] for the district has been filed in the district's  
5 [~~secretary's~~] office;

6           (2) that all persons interested may examine the report  
7 and make objections to it in whole or in part; and

8           (3) that the commissioners of appraisal will meet  
9 on the day and at the place named to hear and act on objections to  
10 the report.

11           SECTION 41. Subsections (a) and (b), Section 57.269, Water  
12 Code, are amended to read as follows:

13           (a) An owner of land or other property affected by the  
14 report of the commissioners of appraisal or by the engineer's  
15 report [~~plan of reclamation~~] may file an objection to any or all  
16 parts of the report of the commissioners of appraisal at or  
17 before the hearing on the report.

18           (b) A person on whose land no damages have been assessed and  
19 who believes that his land will be damaged by prosecution of the  
20 engineer's report [~~plan of reclamation~~] may file with the secretary  
21 of the board a claim for damages.

22           SECTION 42. Subsections (e), (j), and (k), Section 57.270,  
23 Water Code, are amended to read as follows:

24           (e) The secretary in not less than five days after the  
25 appeal is filed shall send to the district clerk:

26           (1) the engineer's report [~~plan of reclamation~~] or a  
27 certified copy of it;

1           (2) a transcript of that part of the commissioners of  
2 appraisement's report affecting the lands concerned in the appeal;

3           (3) a transcript of the claim for damages; and

4           (4) a transcript of the action of the commissioners of  
5 appraisement on the claim.

6           (j) No appeal may delay carrying out the engineer's report  
7 [~~plan of reclamation~~], and if the board pays to the district clerk  
8 the amount of damages awarded by the commissioners of appraisement  
9 to a claimant who is appealing their decree, and if the board makes  
10 bond to pay to the claimant any additional amount that he may be  
11 awarded on his appeal, title to the condemned property that is the  
12 subject of the appeal vests in the district, and the district is  
13 entitled to immediate possession.

14           (k) No person may claim damages against the district, its  
15 board, officers, or agents because of the prosecution of the  
16 engineer's report [~~plan of reclamation~~] if he owns or has an  
17 interest in land in a county [~~in which a copy of the plan of~~  
18 ~~reclamation has been filed and~~] in which notice has been published  
19 of the hearing before the commissioners of appraisement, and he has  
20 failed to file a claim for damages or an objection to the damages  
21 assessed by the commissioners of appraisement against his land, or  
22 if he has filed a claim or objection but has failed to appeal from an  
23 adverse ruling on his claim or objection.

24           SECTION 43. Subsection (b), Section 57.273, Water Code, is  
25 amended to read as follows:

26           (b) If the engineer's report [~~plan of reclamation~~] is  
27 changed or modified, or if extensive repairs or modifications



1 ~~[additions]~~ to the engineer's report ~~[plan of reclamation]~~ are  
2 desired, the board shall file a petition with the commissioners  
3 court describing the changes, modifications, repairs, or  
4 additions.

5 SECTION 44. Subsection (b), Section 57.274, Water Code, is  
6 amended to read as follows:

7 (b) The commissioners court shall order a reassessment of  
8 benefits if it finds that the aggregate amount of assessed benefits  
9 as shown by the previous final judgment and decree is insufficient  
10 to carry out the engineer's report ~~[original plan of reclamation]~~  
11 or changes, repairs, or additions to the report ~~[plan]~~ or there has  
12 been a material change in the relative value of the benefits  
13 conferred on the property in the district, or for some reason the  
14 assessment of benefits is inadequate or inequitable.

15 SECTION 45. Subsection (d), Section 57.275, Water Code, is  
16 amended to read as follows:

17 (d) If the engineer's report ~~[plan of reclamation]~~ is  
18 modified, or if extensive repairs or additions are made, the  
19 provisions of this section apply to districts that levy taxes on the  
20 ad valorem basis, but the commissioners of appraisal shall  
21 assess only the damages which will accrue to the property inside or  
22 outside the district as a result of the changes in the report  
23 ~~[plan]~~.

24 SECTION 46. Subsection (d), Section 67.010, Water Code, is  
25 amended to read as follows:

26 (d) A political subdivision may contract with a corporation  
27 under Section 402.014, Local Government Code, to carry out this

1 chapter. If a corporation issues bonds secured by a contract  
2 entered into under this section, the corporation shall be  
3 considered to be acting for or on behalf of the political  
4 subdivision for the purposes of Section 1201.002(1)(B), Government  
5 Code. A political subdivision is authorized to approve by  
6 ordinance, resolution, or order the articles of incorporation and  
7 the bylaws of a corporation that is created for the purpose of  
8 constructing facilities under a contract under Section 402.014,  
9 Local Government Code.

10 SECTION 47. The following laws are repealed:

11 (1) Subsections (d), (e), (f), and (g), Section  
12 49.218, Water Code, as added by Section 1, Chapter 71, Acts of the  
13 77th Legislature, Regular Session, 2001;

14 (2) Sections 54.508, 57.094, and 57.156, Water Code;  
15 and

16 (3) Subchapter C, Chapter 441, Transportation Code.

17 SECTION 48. This Act takes effect immediately if it  
18 receives a vote of two-thirds of all the members elected to each  
19 house, as provided by Section 39, Article III, Texas Constitution.  
20 If this Act does not receive the vote necessary for immediate  
21 effect, this Act takes effect September 1, 2003.