

AN ACT

relating to the applicability of provisions concerning bond approval by the Texas Commission on Environmental Quality to certain water districts.

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

SECTION 1. Subsection (h), Section 49.181, Water Code, is amended to read as follows:

(h) This section does not apply to a district if:

(1) the district's boundaries include one entire county;

(2) the district was created by a special Act of the legislature and:

(A) the district is located entirely within one county;

(B) is entirely within one or more home-rule municipalities;

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

(D) the district was not required by law to

1 obtain commission approval of its bonds before the effective date  
2 of this section;

3 (3) the district is a special water authority; ~~or~~

4 (4) the district is governed by a board of directors  
5 appointed in whole or in part by the governor, a state agency, or  
6 the governing body or chief elected official of a municipality or  
7 county and does not provide, or propose to provide, water, sewer,  
8 drainage, reclamation, or flood control services to residential  
9 retail or commercial customers as its principal function; or

10 (5) the district on September 1, 2003:

11 (A) is a municipal utility district that includes  
12 territory in only two counties;

13 (B) has outstanding long-term indebtedness that  
14 is rated BBB or better by a nationally recognized rating agency for  
15 municipal securities; and

16 (C) has at least 5,000 active water connections.

17 SECTION 2. The change in law made by this Act does not apply  
18 to bonds with regard to which an application and report were  
19 submitted to the Texas Natural Resource Conservation Commission or  
20 the Texas Commission on Environmental Quality under Subsection (b),  
21 Section 49.181, Water Code, before the effective date of this Act.  
22 Those bonds are governed by the law as it existed immediately before  
23 the effective date of this Act, and that law is continued in effect  
24 for that purpose.

25 SECTION 3. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

S.B. No. 898

1 Act does not receive the vote necessary for immediate effect, this  
2 Act takes effect September 1, 2003.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 898 passed the Senate on  
April 25, 2003, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 898 passed the House on  
May 16, 2003, by the following vote: Yeas 142, Nays 1, two  
present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor