

1-1 By: Averitt S.B. No. 898  
1-2 (In the Senate - Filed March 5, 2003; March 11, 2003, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 April 14, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 8, Nays 0; April 14, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 898 By: Jackson

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the applicability of provisions concerning bond  
1-11 approval by the Texas Commission on Environmental Quality to  
1-12 certain water districts.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subsection (h), Section 49.181, Water Code, is  
1-15 amended to read as follows:

1-16 (h) This section does not apply to a district if:

1-17 (1) the district's boundaries include one entire  
1-18 county;

1-19 (2) the district was created by a special Act of the  
1-20 legislature and:

1-21 (A) the district is located entirely within one  
1-22 county;

1-23 (B) is entirely within one or more home-rule  
1-24 municipalities;

1-25 (C) the total taxable value of the real property  
1-26 and improvements to the real property zoned by one or more home-rule  
1-27 municipalities for residential purposes and located within the  
1-28 district does not exceed 25 percent of the total taxable value of  
1-29 all taxable property in the district, as shown by the most recent  
1-30 certified appraisal tax roll prepared by the appraisal district for  
1-31 the county; and

1-32 (D) the district was not required by law to  
1-33 obtain commission approval of its bonds before the effective date  
1-34 of this section;

1-35 (3) the district is a special water authority; ~~or~~

1-36 (4) the district is governed by a board of directors  
1-37 appointed in whole or in part by the governor, a state agency, or  
1-38 the governing body or chief elected official of a municipality or  
1-39 county and does not provide, or propose to provide, water, sewer,  
1-40 drainage, reclamation, or flood control services to residential  
1-41 retail or commercial customers as its principal function; or

1-42 (5) the district on September 1, 2003:

1-43 (A) is a municipal utility district that includes  
1-44 territory in only two counties;

1-45 (B) has outstanding long-term indebtedness that  
1-46 is rated BBB or better by a nationally recognized rating agency for  
1-47 municipal securities; and

1-48 (C) has at least 5,000 active water connections.

1-49 SECTION 2. The change in law made by this Act does not apply  
1-50 to bonds with regard to which an application and report were  
1-51 submitted to the Texas Natural Resource Conservation Commission or  
1-52 the Texas Commission on Environmental Quality under Subsection (b),  
1-53 Section 49.181, Water Code, before the effective date of this Act.  
1-54 Those bonds are governed by the law as it existed immediately before  
1-55 the effective date of this Act, and that law is continued in effect  
1-56 for that purpose.

1-57 SECTION 3. This Act takes effect immediately if it receives  
1-58 a vote of two-thirds of all the members elected to each house, as  
1-59 provided by Section 39, Article III, Texas Constitution. If this  
1-60 Act does not receive the vote necessary for immediate effect, this  
1-61 Act takes effect September 1, 2003.

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