

AN ACT

relating to the North Harris County Regional Water Authority.

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

SECTION 1. Subsection (d), Section 1.03, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(d) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority has no effect on the authority's ability to assess and collect inside the territory annexed by the municipality the types of fees, rates, charges, or special assessments that the authority was assessing and collecting at the time the municipality initiated the annexation; provided, however, that the authority's ability to assess and collect such fees, rates, charges, or special assessments shall terminate on the later to occur of (i) the date of final payment or defeasance of any bonds or other indebtedness, including any refunding bonds, that are secured by such fees, rates, charges, or special assessments, or (ii) the date that the authority no longer provides services inside the annexed territory.

~~[On a municipality's annexation of any of the authority's territory, the annexed territory is excluded from the authority's territory.]~~ The authority shall continue to provide services to the annexed territory in accordance with contracts in effect at the time of the annexation unless a written agreement between the board

1 and the governing body of the municipality provides otherwise.

2 SECTION 2. Subsection (c), Section 2.02, Chapter 1029, Acts  
3 of the 76th Legislature, Regular Session, 1999, is amended to read  
4 as follows:

5 (c) In the manner described by Section 49.103(d), Water  
6 Code, the board shall redraw the single-member voting districts as  
7 required by law as soon as practicable after:

8 (1) each federal decennial census; and

9 (2) any change in the boundaries of the authority  
10 which increases the total area of the authority by more than 20  
11 percent.

12 SECTION 3. Section 4.10, Chapter 1029, Acts of the 76th  
13 Legislature, Regular Session, 1999, is amended by adding Subsection  
14 (d) to read as follows:

15 (d) Notwithstanding any inconsistent provision of general  
16 law or of a home-rule municipal charter or ordinance, the authority  
17 and a municipality may enter into a contract of unlimited duration.

18 SECTION 4. Subsections (a) and (c), Section 5.05, Chapter  
19 1029, Acts of the 76th Legislature, Regular Session, 1999, are  
20 amended to read as follows:

21 (a) The authority may [~~shall~~] develop a procedure for  
22 cooperatively funding a project of the authority with money from  
23 other political subdivisions located entirely [~~districts~~] inside  
24 [of] the authority's boundaries, and may develop a procedure for  
25 cooperatively funding a project of the authority with money from  
26 political subdivisions located in whole or in part outside the  
27 authority's boundaries, water supply corporations, or other

1 private entities, if the authority project fulfills a governmental  
2 purpose of both the authority and other political subdivisions, or  
3 fulfills a governmental purpose of the authority that the authority  
4 determines would be furthered by cooperative funding from a private  
5 entity [~~districts~~].

6 (c) A political subdivision [~~district~~] may enter into a  
7 contract with the authority for the political subdivision  
8 [~~district~~] to finance a portion of the proposed project with the  
9 political subdivision's [~~district's~~] resources instead of using  
10 only the proceeds from bonds of the authority for that purpose. The  
11 contract must be executed before the authority issues the bonds. As  
12 provided in the contract, the authority may [~~must~~]:

13 (1) reduce the value of the bond issuance to the degree  
14 that the political subdivision [~~district~~] provides project  
15 funding; and

16 (2) credit the political subdivision [~~district~~] for  
17 its contribution to the project financing and adjust the allocation  
18 of revenue pledged to the payment of the bonds so that the authority  
19 avoids using, to a degree reasonably commensurate with the  
20 contribution, revenue from the political subdivision [~~district~~] to  
21 service the authority's bond debt or interest.

22 SECTION 5. Subsection (b), Section 5.05, Chapter 1029, Acts  
23 of the 76th Legislature, Regular Session, 1999, is repealed.

24 SECTION 6. The change in law made by Subsection (d), Section  
25 4.10, Chapter 1029, Acts of the 76th Legislature, Regular Session,  
26 1999, as added by this Act, applies only to a contract between the  
27 North Harris County Regional Water Authority and a municipality

1 that was entered into after January 1, 2002.

2 SECTION 7. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2003.

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

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

I hereby certify that S.B. No. 1725 passed the Senate on May 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 30, 2003, by the following vote: Yeas 31, Nays 0.

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

I hereby certify that S.B. No. 1725 passed the House, with amendments, on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting.

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

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor