

1-1 By: Geren (Senate Sponsor - Brimer) H.B. No. 2639  
1-2 (In the Senate - Received from the House May 13, 2005;  
1-3 May 16, 2005, read first time and referred to Committee on Natural  
1-4 Resources; May 21, 2005, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 May 21, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2639 By: Barrientos

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

1-10 relating to the powers and duties of the Tarrant Regional Water  
1-11 District.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 17(a), Chapter 268, Acts of the 55th  
1-14 Legislature, Regular Session, 1957, is amended to read as follows:

1-15 (a) The district may make and enforce reasonable rules,  
1-16 permits, orders, and ordinances necessary to accomplish the  
1-17 district's authorized purposes, including:

1-18 (1) to secure and maintain safe, sanitary, and  
1-19 adequate plumbing installations, connections, and appurtenances as  
1-20 subsidiary parts of sanitary sewer systems;

1-21 (2) to preserve the sanitary condition of all land and  
1-22 water controlled by the district;

1-23 (3) to prevent the waste or unauthorized use of water;

1-24 (4) to regulate residing, hunting, fishing, boating,  
1-25 and camping, and all recreational and business privileges on any  
1-26 body or stream of water, or any body of land, or any easement owned  
1-27 or controlled by the district; ~~and~~

1-28 (5) to regulate privileges on any land, easement, or  
1-29 property interest adjoining a reservoir or other property of the  
1-30 district to prevent activities on such adjoining land, easement, or  
1-31 property interest that could adversely affect the purity of water  
1-32 in this state; and

1-33 (6) to promote state or local economic development and  
1-34 stimulate business and commercial activity in the district.

1-35 SECTION 2. Chapter 268, Acts of the 55th Legislature,  
1-36 Regular Session, 1957, is amended by adding Section 17A to read as  
1-37 follows:

1-38 Sec. 17A. A determination by the board of directors of the  
1-39 district that a public works project is intended to conserve and  
1-40 develop the natural resources of this state, to promote recreation  
1-41 or economic development, or to control, store, preserve, develop,  
1-42 or distribute the district's storm and flood waters, and the waters  
1-43 of the district's rivers and streams, is conclusive with regard to  
1-44 whether the project serves the purposes for which the district was  
1-45 created or authorized.

1-46 SECTION 3. Section 18, Chapter 268, Acts of the 55th  
1-47 Legislature, Regular Session, 1957, is amended to read as follows:

1-48 Sec. 18. The district may provide for or participate in the  
1-49 acquisition, construction, development, operation, or maintenance  
1-50 of recreational facilities to the full extent authorized by Section  
1-51 59, Article XVI, Texas Constitution, the Water Code, or other  
1-52 applicable law.

1-53 SECTION 4. Chapter 268, Acts of the 55th Legislature,  
1-54 Regular Session, 1957, is amended by adding Section 18A to read as  
1-55 follows:

1-56 Sec. 18A. (a) The district may provide for or participate  
1-57 in the acquisition, construction, development, operation, or  
1-58 maintenance of facilities intended to promote economic development  
1-59 to the full extent authorized by Section 52-a, Article III, Texas  
1-60 Constitution.

1-61 (b) The district may engage in activities intended to  
1-62 stimulate business and commercial activity in the district,  
1-63 including making loans or grants of money for economic development

2-1 purposes in accordance with Section 52-a, Article III, Texas  
 2-2 Constitution, and may acquire for economic development purposes the  
 2-3 fee simple title or a lesser property interest in land for the  
 2-4 district's use or for the sale or lease of the land for a  
 2-5 reclamation, economic development, or water control or development  
 2-6 project.

2-7 (c) The district may sponsor and participate in an economic  
 2-8 development program intended to strengthen the economic base and  
 2-9 further the economic development of this state.

2-10 (d) A determination by the board of directors of the  
 2-11 district that an economic development program is intended and  
 2-12 expected to accomplish the program's stated purposes is conclusive  
 2-13 with respect to whether the program serves the purposes of this  
 2-14 section.

2-15 (e) An economic development program must be within the  
 2-16 boundaries of the district.

2-17 (f) An economic development program may be established only  
 2-18 by formal action of the board of directors of the district.

2-19 (g) If the board of directors of the district establishes an  
 2-20 economic development program, the board must:

2-21 (1) establish the goals of the program;

2-22 (2) impose requirements on persons participating in or  
 2-23 receiving a benefit from the program; and

2-24 (3) provide restrictions, procedures, and budget  
 2-25 limits that the board of directors determines are necessary to  
 2-26 ensure that the governmental purposes of this section and the  
 2-27 program are achieved.

2-28 (h) An economic development program may involve the  
 2-29 granting or lending of money, services, or property to a person  
 2-30 engaged in an economic development activity.

2-31 (i) The district may employ staff and spend its resources,  
 2-32 other than money received from an ad valorem tax or a general  
 2-33 appropriation, to further an economic development program.

2-34 (j) The district may apply for and receive money, grants, or  
 2-35 other assistance from any source to implement an economic  
 2-36 development program.

2-37 (k) The district and any public or private person may enter  
 2-38 into an agreement concerning an economic development program,  
 2-39 including an agreement under Chapter 791, Government Code.

2-40 SECTION 5. Chapter 268, Acts of the 55th Legislature,  
 2-41 Regular Session, 1957, is amended by adding Section 18B to read as  
 2-42 follows:

2-43 Sec. 18B. (a) The board of directors of the district may by  
 2-44 resolution create one or more nonprofit corporations to act on  
 2-45 behalf of the district as the district's authority and  
 2-46 instrumentality.

2-47 (b) A nonprofit corporation created under Subsection (a) of  
 2-48 this section shall:

2-49 (1) establish and maintain the principal office of the  
 2-50 corporation inside the boundaries of the district; and

2-51 (2) exercise the corporation's powers relating to real  
 2-52 property or tangible personal property only inside the boundaries  
 2-53 of the district.

2-54 (c) Except as otherwise provided by this section, the Texas  
 2-55 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's  
 2-56 Texas Civil Statutes) applies to a corporation created under this  
 2-57 section.

2-58 (d) Sections 5-20 and 33-36, Development Corporation Act of  
 2-59 1979 (Article 5190.6, Vernon's Texas Civil Statutes), apply to a  
 2-60 corporation created under this section.

2-61 (e) A corporation created under this section may exercise  
 2-62 any power of the district, but the corporation may exercise the  
 2-63 power of eminent domain and the power to acquire, lease, purchase,  
 2-64 or sell real property only on approval of the board of directors of  
 2-65 the district. When exercising a power under this section, a  
 2-66 corporation and the corporation's board of directors have the same  
 2-67 powers as the district and the district's board of directors,  
 2-68 including the power to issue bonds or other obligations or  
 2-69 otherwise borrow money on behalf of the district to accomplish any

3-1 purpose of the corporation.  
 3-2 (f) The board of directors of a corporation created under  
 3-3 this section may exercise the power to issue an obligation granted  
 3-4 to the governing body of an issuer under Chapter 1371, Government  
 3-5 Code.  
 3-6 (g) A corporation created under this section and the  
 3-7 district may:  
 3-8 (1) share officers, directors, employees, equipment,  
 3-9 and facilities; and  
 3-10 (2) provide goods and services to each other at cost  
 3-11 without the requirement of competitive bidding.  
 3-12 (h) The board of directors of the district shall appoint the  
 3-13 directors of a corporation created under this section. The  
 3-14 directors of the corporation serve at the will of the district's  
 3-15 board of directors.  
 3-16 (i) A member of the district's board of directors may serve  
 3-17 as a member of the corporation's board of directors.  
 3-18 (j) The budget of a corporation created under this section  
 3-19 must be approved by the board of directors of the district.  
 3-20 (k) The activities of the district's corporation are  
 3-21 subject to the continuing review and supervision of the district's  
 3-22 board of directors.  
 3-23 (l) The issuance of bonds or other obligations under this  
 3-24 Act by a corporation created under this section must be approved by  
 3-25 the board of directors of the district.  
 3-26 (m) The district's board of directors may sell, lease, loan,  
 3-27 or otherwise transfer some, all, or substantially all of the real  
 3-28 property of the district to a corporation created under this  
 3-29 section. The property transfer must be made under terms approved by  
 3-30 the board of directors of the district.  
 3-31 (n) Under Section 52-a, Article III, Texas Constitution, a  
 3-32 corporation that has been created in accordance with this section  
 3-33 may guarantee or otherwise provide credit support for any public  
 3-34 security or other obligation or contract of the corporation if the  
 3-35 board of directors of the district determines that the guarantee or  
 3-36 other credit agreement:  
 3-37 (1) is beneficial to a public purpose of the district;  
 3-38 and  
 3-39 (2) is for the public purpose of:  
 3-40 (A) the development and diversification of the  
 3-41 economy of this state;  
 3-42 (B) the elimination of unemployment or  
 3-43 underemployment in this state; or  
 3-44 (C) the development or expansion of commerce in  
 3-45 this state.  
 3-46 (o) A determination by the board of directors of the  
 3-47 district under Subsection (n) of this section is conclusive.  
 3-48 (p) A guarantee or other credit agreement authorized by  
 3-49 Subsection (n) of this section may provide for the guarantee of or  
 3-50 other credit support for public securities or other obligations or  
 3-51 contracts of the corporation, all or a portion of which may be  
 3-52 authorized, executed, and delivered in the future.  
 3-53 (q) Chapter 1202, Government Code, applies to a guarantee or  
 3-54 other credit agreement under this section as if the guarantee or  
 3-55 other credit agreement were a public security.  
 3-56 SECTION 6. Section 21, Chapter 268, Acts of the 55th  
 3-57 Legislature, Regular Session, 1957, is amended to read as follows:  
 3-58 Sec. 21. (a) Subchapter I, Chapter 49, Water Code, applies  
 3-59 to the district, except when the district is purchasing goods or  
 3-60 services described by Section 252.022, Local Government Code.  
 3-61 (b) The district may use the competitive proposal method  
 3-62 when the board of directors of the district determines that doing so  
 3-63 is in the best interest of the district.  
 3-64 SECTION 7. REPEALER. Title 128, Article 8280-144, Vernon's  
 3-65 Texas Civil Statutes Acts of the 52nd Legislature, Regular Session,  
 3-66 1951, is repealed. Any property or other assets of an entity  
 3-67 abolished under this section shall vest in the entity created by  
 3-68 Acts of the 78th Legislature, Regular Session, Chapter 385, 2003  
 3-69 Tex. Gen. Laws 1615, May 28, 2003.

4-1 SECTION 8. This Act takes effect September 1, 2005.

4-2

\* \* \* \* \*