

By: Flores

H.B. No. 3566

A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, duties, functions, operations, and financing of the La Joya Special Utility District; providing authority to issue bonds.

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

SECTION 1. Subtitle C, Title 6, Special District Local Laws Code, is amended by adding Chapter 7201 to read as follows:

CHAPTER 7201. LA JOYA SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7201.001. DEFINITION. In this chapter, "district" means the La Joya Special Utility District.

Sec. 7201.002. NATURE OF DISTRICT. The district is a special utility district in Hidalgo and Starr Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 7201.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2009:

(1) the district is dissolved on September 1, 2009, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Hidalgo or Starr County as appropriate; and

1 (C) the organization of the district shall be
2 maintained until all debts are paid and remaining assets are
3 transferred; and

4 (2) this chapter expires September 1, 2010.

5 Sec. 7201.004. APPLICABILITY OF OTHER SPECIAL UTILITY
6 DISTRICT LAW. Except as otherwise provided by this chapter,
7 Chapters 49 and 65, Water Code, apply to the district.

8 Sec. 7201.005. REGULATORY CONFLICTS. (a) If a
9 municipality asserts regulatory authority over any geographic area
10 in the district and a municipal regulation applicable to that
11 geographic area conflicts with a rule of the district, the
12 regulation of the municipality prevails.

13 (b) This section does not apply to:

14 (1) rules or regulations concerning potable water
15 quality standards; or

16 (2) conflicts relating to retail water utility service
17 areas.

18 Sec. 7201.006. INITIAL DISTRICT TERRITORY. The initial
19 boundaries of the district are coextensive with the service areas
20 covered by Certificates of Convenience and Necessity Nos. 10559 and
21 20785, as recorded on the Texas Commission on Environmental Quality
22 maps associated with those certificates.

23 [Sections 7201.007-7201.020 reserved for expansion]

24 SUBCHAPTER A-1. TEMPORARY PROVISIONS

25 Sec. 7201.021. TEMPORARY DIRECTORS. (a) The Commissioners
26 Court of Hidalgo County shall appoint seven temporary directors,
27 and the Commissioners Court of Starr County shall appoint two

1 temporary directors.

2 (b) Each temporary director shall qualify for office as
3 provided by Section 49.055, Water Code.

4 (c) If a temporary director fails to qualify for office, the
5 temporary directors who have qualified shall appoint a person to
6 fill the vacancy. If at any time there are fewer than four
7 qualified temporary directors, the Texas Commission on
8 Environmental Quality shall appoint the necessary number of
9 directors to fill all vacancies on the board.

10 (d) Temporary directors serve until initial directors are
11 elected under Section 7201.022.

12 Sec. 7201.022. CONFIRMATION AND INITIAL DIRECTORS'
13 ELECTION. (a) The temporary directors shall hold an election to
14 confirm the creation of the district and to elect nine initial
15 directors in accordance with Chapters 49 and 65, Water Code, on or
16 before September 1, 2009.

17 (b) The ballots for a confirmation election shall be printed
18 to provide for voting "For the creation of a special utility
19 district to replace the La Joya Water Supply Corporation" and
20 "Against the creation of a special utility district to replace the
21 La Joya Water Supply Corporation."

22 (c) The temporary board of directors shall determine the
23 method for determining the initial term of each person on the
24 initial board of directors. The terms must be clearly stated on the
25 ballot for the confirmation and directors' election.

26 (d) Section 41.001(a), Election Code, does not apply to a
27 confirmation election held as provided by this section.

1 (e) Initial directors serve until the first regularly
2 scheduled election of directors under Subchapter C, Chapter 65,
3 Water Code.

4 Sec. 7201.023. TRANSFER OF ASSETS; DISSOLUTION. (a) If the
5 district's creation is confirmed under Section 7201.022, the La
6 Joya Water Supply Corporation shall transfer the assets, debts, and
7 contractual rights and obligations of the corporation to the
8 district.

9 (b) Not later than the 30th day after the date of the
10 transfer under Subsection (a), the board of directors of the La Joya
11 Water Supply Corporation shall commence dissolution proceedings of
12 the corporation.

13 (c) On dissolution of the La Joya Water Supply Corporation,
14 Certificates of Convenience and Necessity Nos. 10559 and 20785 are
15 considered to be held by the district.

16 (d) The board of directors of the La Joya Water Supply
17 Corporation shall notify the Texas Commission on Environmental
18 Quality of the dissolution of the corporation and of the transfer of
19 Certificates of Convenience and Necessity Nos. 10559 and 20785 to
20 the district.

21 (e) On receipt of notice under Subsection (d), the Texas
22 Commission on Environmental Quality shall note in its records that
23 Certificates of Convenience and Necessity Nos. 10559 and 20785 are
24 held by the district and shall reissue the certificates in the name
25 of the district without further application or notice.

26 Sec. 7201.024. EXPIRATION OF SUBCHAPTER. This subchapter
27 expires September 1, 2010.

1 [Sections 7201.025-7201.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 7201.051. DIRECTORS. The district is governed by a
4 board of not fewer than five and not more than 11 directors.

5 [Sections 7201.052-7201.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 7201.101. GENERAL POWERS. The district has all of the
8 rights, powers, privileges, authority, functions, and duties
9 provided by the general law of this state, including Chapters 49 and
10 65, Water Code, applicable to special utility districts created
11 under Section 59, Article XVI, Texas Constitution.

12 Sec. 7201.102. CONTRACTS WITH RIO GRANDE REGIONAL WATER
13 AUTHORITY. The district and the Rio Grande Regional Water
14 Authority may enter into a contract under which the Rio Grande
15 Regional Water Authority may provide administrative or any other
16 type of assistance or service to the district.

17 SECTION 2. (a) The legal notice of the intention to
18 introduce this Act, setting forth the general substance of this
19 Act, has been published as provided by law, and the notice and a
20 copy of this Act have been furnished to all persons, agencies,
21 officials, or entities to which they are required to be furnished
22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
23 Government Code.

24 (b) The governor has submitted the notice and Act to the
25 Texas Commission on Environmental Quality.

26 (c) The Texas Commission on Environmental Quality has filed
27 its recommendations relating to this Act with the governor,

1 lieutenant governor, and speaker of the house of representatives
2 within the required time.

3 (d) The general law relating to consent by political
4 subdivisions to the creation of a conservation and reclamation
5 district and the inclusion of land in the district has been complied
6 with.

7 (e) All requirements of the constitution and laws of this
8 state and the rules and procedures of the legislature with respect
9 to the notice, introduction, and passage of this Act are fulfilled
10 and accomplished.

11 SECTION 3. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2005.