

1-1 By: Flores (Senate Sponsor - Hinojosa) H.B. No. 3566
1-2 (In the Senate - Received from the House May 20, 2005;
1-3 May 20, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 21, 2005, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 21, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the creation, administration, powers, duties,
1-9 functions, operations, and financing of the La Joya Special Utility
1-10 District; providing authority to issue bonds.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subtitle C, Title 6, Special District Local Laws
1-13 Code, is amended by adding Chapter 7201 to read as follows:

1-14 CHAPTER 7201. LA JOYA SPECIAL UTILITY DISTRICT

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 7201.001. DEFINITION. In this chapter, "district"
1-17 means the La Joya Special Utility District.

1-18 Sec. 7201.002. NATURE OF DISTRICT. The district is a
1-19 special utility district in Hidalgo and Starr Counties created
1-20 under and essential to accomplish the purposes of Section 59,
1-21 Article XVI, Texas Constitution.

1-22 Sec. 7201.003. CONFIRMATION ELECTION REQUIRED. If the
1-23 creation of the district is not confirmed at a confirmation and
1-24 initial directors' election held before September 1, 2009:

1-25 (1) the district is dissolved on September 1, 2009,
1-26 except that:

1-27 (A) any debts incurred shall be paid;

1-28 (B) any assets that remain after the payment of
1-29 debts shall be transferred to Hidalgo or Starr County as
1-30 appropriate; and

1-31 (C) the organization of the district shall be
1-32 maintained until all debts are paid and remaining assets are
1-33 transferred; and

1-34 (2) this chapter expires September 1, 2010.

1-35 Sec. 7201.004. APPLICABILITY OF OTHER SPECIAL UTILITY
1-36 DISTRICT LAW. Except as otherwise provided by this chapter,
1-37 Chapters 49 and 65, Water Code, apply to the district.

1-38 Sec. 7201.005. REGULATORY CONFLICTS. (a) If a
1-39 municipality asserts regulatory authority over any geographic area
1-40 in the district and a municipal regulation applicable to that
1-41 geographic area conflicts with a rule of the district, the
1-42 regulation of the municipality prevails.

1-43 (b) This section does not apply to:

1-44 (1) rules or regulations concerning potable water
1-45 quality standards; or

1-46 (2) conflicts relating to retail water utility service
1-47 areas.

1-48 Sec. 7201.006. INITIAL DISTRICT TERRITORY. The initial
1-49 boundaries of the district are coextensive with the service areas
1-50 covered by Certificates of Convenience and Necessity Nos. 10559 and
1-51 20785, as recorded on the Texas Commission on Environmental Quality
1-52 maps associated with those certificates.

1-53 [Sections 7201.007-7201.020 reserved for expansion]

1-54 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-55 Sec. 7201.021. TEMPORARY DIRECTORS. (a) The Commissioners
1-56 Court of Hidalgo County shall appoint seven temporary directors,
1-57 and the Commissioners Court of Starr County shall appoint two
1-58 temporary directors.

1-59 (b) Each temporary director shall qualify for office as
1-60 provided by Section 49.055, Water Code.

1-61 (c) If a temporary director fails to qualify for office, the
1-62 temporary directors who have qualified shall appoint a person to
1-63 fill the vacancy. If at any time there are fewer than four
1-64 qualified temporary directors, the Texas Commission on

2-1 Environmental Quality shall appoint the necessary number of
 2-2 directors to fill all vacancies on the board.

2-3 (d) Temporary directors serve until initial directors are
 2-4 elected under Section 7201.022.

2-5 Sec. 7201.022. CONFIRMATION AND INITIAL DIRECTORS'
 2-6 ELECTION. (a) The temporary directors shall hold an election to
 2-7 confirm the creation of the district and to elect nine initial
 2-8 directors in accordance with Chapters 49 and 65, Water Code, on or
 2-9 before September 1, 2009.

2-10 (b) The ballots for a confirmation election shall be printed
 2-11 to provide for voting "For the creation of a special utility
 2-12 district to replace the La Joya Water Supply Corporation" and
 2-13 "Against the creation of a special utility district to replace the
 2-14 La Joya Water Supply Corporation."

2-15 (c) The temporary board of directors shall determine the
 2-16 method for determining the initial term of each person on the
 2-17 initial board of directors. The terms must be clearly stated on the
 2-18 ballot for the confirmation and directors' election.

2-19 (d) Section 41.001(a), Election Code, does not apply to a
 2-20 confirmation election held as provided by this section.

2-21 (e) Initial directors serve until the first regularly
 2-22 scheduled election of directors under Subchapter C, Chapter 65,
 2-23 Water Code.

2-24 Sec. 7201.023. TRANSFER OF ASSETS; DISSOLUTION. (a) If the
 2-25 district's creation is confirmed under Section 7201.022, the La
 2-26 Joya Water Supply Corporation shall transfer the assets, debts, and
 2-27 contractual rights and obligations of the corporation to the
 2-28 district.

2-29 (b) Not later than the 30th day after the date of the
 2-30 transfer under Subsection (a), the board of directors of the La Joya
 2-31 Water Supply Corporation shall commence dissolution proceedings of
 2-32 the corporation.

2-33 (c) On dissolution of the La Joya Water Supply Corporation,
 2-34 Certificates of Convenience and Necessity Nos. 10559 and 20785 are
 2-35 considered to be held by the district.

2-36 (d) The board of directors of the La Joya Water Supply
 2-37 Corporation shall notify the Texas Commission on Environmental
 2-38 Quality of the dissolution of the corporation and of the transfer of
 2-39 Certificates of Convenience and Necessity Nos. 10559 and 20785 to
 2-40 the district.

2-41 (e) On receipt of notice under Subsection (d), the Texas
 2-42 Commission on Environmental Quality shall note in its records that
 2-43 Certificates of Convenience and Necessity Nos. 10559 and 20785 are
 2-44 held by the district and shall reissue the certificates in the name
 2-45 of the district without further application or notice.

2-46 Sec. 7201.024. EXPIRATION OF SUBCHAPTER. This subchapter
 2-47 expires September 1, 2010.

2-48 [Sections 7201.025-7201.050 reserved for expansion]

2-49 SUBCHAPTER B. BOARD OF DIRECTORS

2-50 Sec. 7201.051. DIRECTORS. The district is governed by a
 2-51 board of not fewer than five and not more than 11 directors.

2-52 [Sections 7201.052-7201.100 reserved for expansion]

2-53 SUBCHAPTER C. POWERS AND DUTIES

2-54 Sec. 7201.101. GENERAL POWERS. The district has all of the
 2-55 rights, powers, privileges, authority, functions, and duties
 2-56 provided by the general law of this state, including Chapters 49 and
 2-57 65, Water Code, applicable to special utility districts created
 2-58 under Section 59, Article XVI, Texas Constitution.

2-59 Sec. 7201.102. CONTRACTS WITH RIO GRANDE REGIONAL WATER
 2-60 AUTHORITY. The district and the Rio Grande Regional Water
 2-61 Authority may enter into a contract under which the Rio Grande
 2-62 Regional Water Authority may provide administrative or any other
 2-63 type of assistance or service to the district.

2-64 SECTION 2. (a) The legal notice of the intention to
 2-65 introduce this Act, setting forth the general substance of this
 2-66 Act, has been published as provided by law, and the notice and a
 2-67 copy of this Act have been furnished to all persons, agencies,
 2-68 officials, or entities to which they are required to be furnished
 2-69 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

3-1 Government Code.

3-2 (b) The governor has submitted the notice and Act to the
3-3 Texas Commission on Environmental Quality.

3-4 (c) The Texas Commission on Environmental Quality has filed
3-5 its recommendations relating to this Act with the governor,
3-6 lieutenant governor, and speaker of the house of representatives
3-7 within the required time.

3-8 (d) The general law relating to consent by political
3-9 subdivisions to the creation of a conservation and reclamation
3-10 district and the inclusion of land in the district has been complied
3-11 with.

3-12 (e) All requirements of the constitution and laws of this
3-13 state and the rules and procedures of the legislature with respect
3-14 to the notice, introduction, and passage of this Act are fulfilled
3-15 and accomplished.

3-16 SECTION 3. This Act takes effect immediately if it receives
3-17 a vote of two-thirds of all the members elected to each house, as
3-18 provided by Section 39, Article III, Texas Constitution. If this
3-19 Act does not receive the vote necessary for immediate effect, this
3-20 Act takes effect September 1, 2005.

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