

1-1 By: Guillen (Senate Sponsor - Zaffirini) H.B. No. 3569
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
1-4 Intergovernmental Relations; May 21, 2005, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 21, 2005, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the creation, administration, powers, duties,
1-10 operation, and financing of the Zapata County Municipal Utility
1-11 District No. 2.

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

1-13 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-14 Code, is amended by adding Chapter 8152 to read as follows:

1-15 CHAPTER 8152. ZAPATA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

1-16 SUBCHAPTER A. GENERAL PROVISIONS

1-17 Sec. 8152.001. DEFINITIONS. In this chapter:

1-18 (1) "Board" means the board of directors of the
1-19 district.

1-20 (2) "Director" means a member of the board.

1-21 (3) "District" means the Zapata County Municipal
1-22 Utility District No. 2.

1-23 Sec. 8152.002. NATURE OF DISTRICT. The district is a
1-24 municipal utility district in Zapata County created under and
1-25 essential to accomplish the purposes of Section 59, Article XVI,
1-26 Texas Constitution.

1-27 Sec. 8152.003. CONFIRMATION ELECTION REQUIRED. If the
1-28 creation of the district is not confirmed at a confirmation
1-29 election held under Section 8152.023 before September 1, 2007:

1-30 (1) the district is dissolved September 1, 2007,
1-31 except that:

1-32 (A) any debts incurred shall be paid;

1-33 (B) any assets that remain after the payment of
1-34 debts shall be transferred to Zapata County; and

1-35 (C) the organization of the district shall be
1-36 maintained until all debts are paid and remaining assets are
1-37 transferred; and

1-38 (2) this chapter expires September 1, 2010.

1-39 Sec. 8152.004. INITIAL DISTRICT TERRITORY. The initial
1-40 territory of the district is coextensive with the service areas
1-41 covered by Certificates of Convenience and Necessity Nos. 12877 and
1-42 20850, as identified on the Texas Commission on Environmental
1-43 Quality official service area maps associated with those
1-44 certificates.

1-45 [Sections 8152.005-8152.020 reserved for expansion]

1-46 SUBCHAPTER A1. TEMPORARY PROVISIONS

1-47 Sec. 8152.021. TEMPORARY DIRECTORS. (a) On or after
1-48 September 1, 2005, the commissioners of the Commissioners Court of
1-49 Zapata County and the county judge of Zapata County shall each
1-50 appoint one temporary director to serve as one of the five temporary
1-51 directors of the district.

1-52 (b) If a temporary director fails to qualify for office, the
1-53 person who appointed that temporary director shall appoint a person
1-54 to fill the vacancy.

1-55 (c) Temporary directors serve until the earlier of:

1-56 (1) the date directors are elected under Section
1-57 8152.023; or

1-58 (2) the date this chapter expires under Section
1-59 8152.003.

1-60 Sec. 8152.022. ORGANIZATIONAL MEETING OF TEMPORARY
1-61 DIRECTORS. As soon as practicable after all the temporary
1-62 directors have qualified under Section 49.055, Water Code, the
1-63 temporary directors shall meet at a location in the district
1-64 agreeable to a majority of the directors. If a location cannot be

2-1 agreed upon, the meeting shall be at the Zapata County Courthouse.
2-2 At the meeting, the temporary directors shall elect officers from
2-3 among the temporary directors and conduct any other district
2-4 business.

2-5 Sec. 8152.023. CONFIRMATION AND INITIAL DIRECTORS'
2-6 ELECTION. The temporary directors shall hold an election to
2-7 confirm the creation of the district and to elect five directors as
2-8 provided by Section 49.102, Water Code.

2-9 Sec. 8152.024. INITIAL ELECTED DIRECTORS; TERMS. The
2-10 directors elected under Section 8152.023 shall draw lots to
2-11 determine which two shall serve until the first regularly scheduled
2-12 election of directors under Section 8152.052 and which three shall
2-13 serve until the second regularly scheduled election of directors.

2-14 Sec. 8152.025. TRANSFER OF ASSETS. (a) If the district's
2-15 creation is confirmed under Section 8152.023, Zapata County shall
2-16 transfer to the district the assets, debts, and contractual rights
2-17 and obligations of the county associated with the Zapata County
2-18 Waterworks under Certificate of Convenience and Necessity No. 12877
2-19 and the sanitary sewer utility under Certificate of Convenience and
2-20 Necessity No. 20850.

2-21 (b) Not later than the 30th day after the date of the
2-22 transfer under Subsection (a), the Zapata County Waterworks and
2-23 Zapata County Certificates of Convenience and Necessity Nos. 12877
2-24 and 20850 are considered to be held by the district.

2-25 (c) The Commissioners Court of Zapata County shall notify
2-26 the Texas Commission on Environmental Quality of the transfer of
2-27 Certificates of Convenience and Necessity Nos. 12877 and 20850 to
2-28 the district.

2-29 (d) On receipt of notice under Subsection (c), the Texas
2-30 Commission on Environmental Quality shall note in its records that
2-31 Certificates of Convenience and Necessity Nos. 12877 and 20850 are
2-32 held by the district and shall reissue the certificates in the name
2-33 of the district without further application or notice.

2-34 Sec. 8152.026. EXPIRATION OF SUBCHAPTER. This subchapter
2-35 expires September 1, 2010.

2-36 [Sections 8152.027-8152.050 reserved for expansion]

2-37 SUBCHAPTER B. BOARD OF DIRECTORS

2-38 Sec. 8152.051. DIRECTORS; TERMS. (a) The district is
2-39 governed by a board of five directors.

2-40 (b) Directors serve staggered four-year terms.

2-41 Sec. 8152.052. ELECTION OF DIRECTORS. On the uniform
2-42 election date in November of each even-numbered year, the
2-43 appropriate number of directors shall be elected.

2-44 [Sections 8152.053-8152.100 reserved for expansion]

2-45 SUBCHAPTER C. POWERS AND DUTIES

2-46 Sec. 8152.101. MUNICIPAL UTILITY DISTRICT POWERS AND
2-47 DUTIES. The district has the powers and duties provided by the
2-48 general law of this state, including Chapters 49 and 54, Water Code,
2-49 applicable to municipal utility districts created under Section 59,
2-50 Article XVI, Texas Constitution.

2-51 [Sections 8152.102-8152.150 reserved for expansion]

2-52 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-53 Sec. 8152.151. TAX TO REPAY BONDS. The district may impose
2-54 a tax to pay the principal of or interest on bonds issued under
2-55 Section 8152.201.

2-56 [Sections 8152.152-8152.200 reserved for expansion]

2-57 SUBCHAPTER E. BONDS

2-58 Sec. 8152.201. AUTHORITY TO ISSUE BONDS AND OTHER
2-59 OBLIGATIONS. The district may issue bonds or other obligations as
2-60 provided by Chapters 49 and 54, Water Code, to finance the
2-61 construction, maintenance, or operation of projects under Section
2-62 8152.101.

2-63 SECTION 2. (a) The legal notice of the intention to
2-64 introduce this Act, setting forth the general substance of this
2-65 Act, has been published as provided by law, and the notice and a
2-66 copy of this Act have been furnished to all persons, agencies,
2-67 officials, or entities to which they are required to be furnished
2-68 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2-69 Government Code.

3-1 (b) The governor, one of the required recipients, has
3-2 submitted the notice and Act to the Texas Commission on
3-3 Environmental Quality.

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

3-8 (d) All requirements of the constitution and laws of this
3-9 state and the rules and procedures of the legislature with respect
3-10 to the notice, introduction, and passage of this Act are fulfilled
3-11 and accomplished.

3-12 SECTION 3. This Act takes effect September 1, 2005.

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