AN ACT
relating to the creation of the Lower Trinity Groundwater Conservation District; providing authority to issue bonds.

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

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8807 to read as follows:

CHAPTER 8807. LOWER TRINITY GROUNDWATER CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8807.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Lower Trinity Groundwater Conservation District.

Sec. 8807.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Liberty, Polk, and San Jacinto Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8807.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8807.023 before September 1, 2007:
(1) the district is dissolved on September 1, 2007,
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of
debts shall be transferred to each county in proportion to the
contribution of money made; and
(C) the organization of the district shall be
maintained until all debts are paid and remaining assets are
transferred; and
(2) this chapter expires on September 1, 2010.

Sec. 8807.004. INITIAL DISTRICT TERRITORY. (a) Except as
provided by Subsection (b), the initial boundaries of the district
are coextensive with the boundaries of Liberty, Polk, and San
Jacinto Counties.
(b) If the creation of the district is not confirmed by the
voters of a county at an election held under Section 8807.023, that
county is not included in the district.

Sec. 8807.005. ADDITION OF ADJACENT COUNTY TO DISTRICT.
(a) A county adjoining the district may petition to join the
district by resolution of the county commissioners court.
(b) If, after a hearing on the resolution, the board finds
that the addition of the county would benefit the district and the
county to be added, the board by resolution may approve the addition
of the county to the district.
(c) The addition of a county under this section is not final
until approved by the voters in the county to be added at an
election held for that purpose.
(d) The ballots for the election shall be printed to permit
voting for or against the proposition: "The addition of (county's
name) to the Lower Trinity Groundwater Conservation District."

(e) If a majority of the votes are cast in favor of the
addition of the county to the district, the county is added to the
district, and the district boundaries are adjusted accordingly. If
less than a majority of the votes are cast in favor of the addition
of the county to the district, the county is not added to the
district.

Sec. 8807.006. APPLICABILITY OF OTHER GROUNDWATER
CONSERVATION DISTRICT LAW. Except as otherwise provided by this
chapter, Chapter 36, Water Code, applies to the district.

[Sections 8807.007–8807.020 reserved for expansion]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8807.021. TEMPORARY DIRECTORS. (a) Not later than
the 45th day after the effective date of the Act creating this
chapter, temporary directors shall be appointed in the same manner
as provided by Section 8807.052(a) for permanent directors.

(b) If the voters of one county do not confirm the creation
of the district under Section 8807.023:

(1) the directors appointed from that county and the
director appointed jointly by the commissioners courts of all three
counties are not eligible to serve as directors of the district; and

(2) the commissioners courts in the counties in which
the creation of the district is confirmed shall jointly appoint one
additional director to represent the forestry, agricultural, or
landowner groundwater interests of both counties.

(c) If the voters of two counties do not confirm the
creation of the district under Section 8807.023:
(1) the directors appointed from those counties and
the director appointed jointly by the commissioners courts of all
three counties are not eligible to serve as directors of the
district; and
(2) the commissioners court in the county in which the
creation of the district is confirmed shall appoint one additional
director to represent the forestry, agricultural, or landowner
groundwater interests of that county.
(d) If there is a vacancy on the temporary board of
directors, the governing body of each entity that appointed the
director who vacated the office shall appoint a person to fill the
vacancy.
(e) Temporary directors serve until the earlier of:
(1) the time the temporary directors become initial
directors as provided by Section 8807.024; or
(2) the date this chapter expires under Section
8807.003.
Sec. 8807.022. ORGANIZATIONAL MEETING OF TEMPORARY
DIRECTORS. As soon as practicable after all the temporary
directors have qualified under Section 36.055, Water Code, a
majority of the temporary directors shall convene the
organizational meeting of the district at a location in the
district agreeable to a majority of the directors. If an agreement
on location cannot be reached, the organizational meeting shall be
at the Polk County Courthouse.
Sec. 8807.023. CONFIRMATION ELECTION. (a) The temporary
directors shall hold an election on the same date in Liberty, Polk,
and San Jacinto Counties to confirm the creation of the district.

(b) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017, 36.018, and 36.019, Water Code, and by the Election Code. The provision under Section 36.017(d), Water Code, relating to the election of permanent directors does not apply to a confirmation election under this section.

Sec. 8807.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8807.023, the temporary directors of the district become the initial directors of the district and serve on the board of directors until permanent directors are appointed under Section 8807.052.

(b) If the district has seven initial directors:

(1) the terms of two initial directors expire December 31, 2006;

(2) the terms of two initial directors expire December 31, 2007; and

(3) the terms of three initial directors, including the director who was appointed jointly by the three counties, expire December 31, 2008.

(c) If the district has five initial directors:

(1) the terms of one initial director from each county expire December 31, 2006;

(2) the terms of one initial director from each county expire December 31, 2007; and

(3) the term of the initial director appointed jointly by the two counties expires on December 31, 2008.
If the district has three initial directors, the term of one director will expire on December 31 in 2006, 2007, and 2008.

The initial directors, excluding the director appointed jointly by the counties, shall draw lots to determine their terms.

Sec. 8807.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2010.

[Sections 8807.026-8807.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8807.051. GOVERNING BODY. The district is governed by a board of directors, which initially shall consist of not fewer than three and not more than seven directors, appointed as provided by Section 8807.052.

Sec. 8807.052. APPOINTMENT OF DIRECTORS. (a) If the voters in Liberty, Polk, and San Jacinto Counties confirm the creation of the district, seven directors shall be appointed as follows:

(1) the Liberty County Commissioners Court shall appoint one director to represent the rural water utilities or the forestry or agricultural groundwater supply interests of the county;

(2) the Polk County Commissioners Court shall appoint one director to represent the rural water utilities or the large industrial groundwater supply interests of the county;

(3) the San Jacinto County Commissioners Court shall appoint one director to represent the rural water utilities or the forestry or agricultural groundwater supply interests of the county;
(4) the incorporated municipalities of Liberty County shall jointly appoint one director;

(5) the incorporated municipalities of Polk County shall jointly appoint one director;

(6) the incorporated municipalities of San Jacinto County shall jointly appoint one director; and

(7) the commissioners courts of Liberty, Polk, and San Jacinto Counties shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater interests of all three counties.

(b) If the voters in two counties confirm the creation of the district, five directors shall be appointed as follows:

(1) the commissioners court in each of those counties shall appoint a director as provided by Subsection (a);

(2) the incorporated municipalities in each of those counties shall appoint a director as provided by Subsection (a); and

(3) the commissioners courts of the two counties shall jointly appoint one director to represent the forestry, agricultural, or landowner groundwater interests of both counties.

(c) If the voters in only one county confirm the creation of the district, three directors shall be appointed as follows:

(1) the commissioners court of the county shall appoint a director as provided by Subsection (a);

(2) the incorporated municipalities in the county shall appoint a director as provided by Subsection (a); and

(3) the commissioners court of the county shall
appoint an additional director to represent the forestry, agricultural, or landowner groundwater interests of the county.

Sec. 8807.053. CHANGE IN COMPOSITION; ADDITIONAL COUNTY. If a county is added to the district under Section 8807.005, the board may change the number of directors so that an equal number of directors is appointed from each county and one director is appointed jointly by the counties in the district.

Sec. 8807.054. TERMS. Directors serve staggered three-year terms.

Sec. 8807.055. VACANCY; RULES. (a) If there is a vacancy on the board, the governing body of each entity that appointed the director who vacated shall appoint a director to serve the remainder of the term.

(b) The board shall adopt rules to establish when a vacancy has occurred.

Sec. 8807.056. PRESIDING OFFICER. The jointly appointed director under Section 8807.052(a)(7) or (b)(3) or the additional director appointed under Section 8807.052(c)(3) shall serve as the presiding officer of the board.

Sec. 8807.057. QUALIFICATIONS; GROUNDWATER PRODUCER. A person is not disqualified from serving as a director if that person is an employee, manager, director, or officer of a groundwater producer that is or may be regulated by the district.

Sec. 8807.058. COMPENSATION; REIMBURSEMENT. (a) A director is not entitled to receive compensation for serving as a director.

(b) A director may receive reimbursement for actual,
reasonable expenses incurred in the discharge of official duties.

Sec. 8807.059. VOTING REQUIREMENT. A majority vote of a quorum is required for board action.

[Sections 8807.060-8807.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8807.101. PRODUCTION FEES. (a) The district may assess reasonable fees on each well in the district. The fee:

(1) must be based on the amount of water withdrawn from

the well; and

(2) may not exceed 5 cents per 1,000 gallons of groundwater withdrawn for any purpose.

(b) This section does not apply to:

(1) a well used exclusively for agriculture, as defined by Section 36.001, Water Code; or

(2) an exempt well under Section 8807.102.

Sec. 8807.102. WELLS EXEMPT FROM REGULATION. (a) The district may not require a permit for a well that is:

(1) used solely for domestic and livestock purposes;

and

(2) incapable of producing more than 25,000 gallons of groundwater a day.

(b) The district may not assess fees on a well that meets the criteria established under Section 36.117(b), Water Code.

Sec. 8807.103. TAXES PROHIBITED. The district may not impose a tax.

Sec. 8807.104. LIMIT ON ISSUANCE OF BONDS. The district may not issue any bonds or other obligations that pledge revenue
Sec. 8807.105. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Sec. 8807.106. LIMIT ON PURCHASE OF GROUNDWATER RIGHTS FOR CONSERVATION PURPOSES. The district may purchase groundwater rights only if the purchased rights are acquired for conservation purposes and are held in trust permanently.

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

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

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

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

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

President of the Senate

I hereby certify that S.B. No. 1017 passed the Senate on April 21, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1017 passed the House on May 20, 2005, by the following vote: Yeas 139, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor