

Amend **HB 2072** (Senate committee printing) as follows:

(1) Between existing SECTIONS 2 and 3 of the bill (page 2 between lines 28 and 29), insert the following SECTION and renumber existing SECTION 3 as SECTION 4:

SECTION 3. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8805 to read as follows:

CHAPTER 8805. LA PALOMA GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8805.001. 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 La Paloma Groundwater Conservation District.

Sec. 8805.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Brooks County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8805.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held on or before September 1, 2010:

(1) the district is dissolved on September 1, 2010, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Brooks County; 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 September 1, 2011.

Sec. 8805.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 5 of the Act creating this chapter.

(b) The boundaries described in Section 5 of the Act creating this chapter form a closure. A mistake made in describing the district's boundaries in the legislative process does not

affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
- (3) right to impose or collect an assessment or tax; or
- (4) legality or operation.

Sec. 8805.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Sec. 8805.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. (a) Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

(b) Section 36.121, Water Code, does not apply to the district.

[Sections 8805.007-8805.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8805.021. TEMPORARY DIRECTORS. (a) The temporary board of directors consists of:

- (1) Lavoyger Durham, representing commissioners precinct 1;
- (2) Felix Saenz, Jr., representing commissioners precinct 2;
- (3) Mauro Garcia, representing commissioners precinct 3;
- (4) Larry Boykin, representing commissioners precinct 4;
- (5) David Grall, representing the district at large, place 1; and
- (6) Jose U. Perez, representing the district at large, place 2.

(b) If there is a vacancy on the temporary board of directors of the district, the remaining temporary directors shall appoint a person to fill the vacancy in a manner that meets the representational requirements of this section.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors under Section 8805.024; or

(2) the date this chapter expires under Section 8805.003.

Sec. 8805.022. 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 within the district agreeable to a majority of the temporary directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Brooks County Courthouse.

Sec. 8805.023. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and the imposition of a maintenance tax.

(b) Section 41.001(a), Election Code, does not apply to an election held as provided by this section.

(c) Except as provided by this section, an election under this section must be conducted as provided by Sections 36.017(b), (c), and (e)-(i), Water Code, and the Election Code.

(d) The ballot for the election must be printed to provide for voting for or against the proposition: "The creation of La Paloma Groundwater Conservation District and the levy of a maintenance tax at a rate not to exceed 3 cents for each \$100 of assessed valuation."

(e) If a majority of the votes cast at the election are not in favor of the creation of the district, the temporary directors may call a subsequent confirmation election.

(f) The district may not impose a maintenance tax unless the tax is confirmed under this section.

Sec. 8805.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8805.023, the temporary directors of the district become the initial directors of the district and serve on the board of directors until permanent directors are elected under Section 8805.025.

(b) The initial directors for commissioner precincts 2 and 4

and the initial place 1 at-large director serve terms expiring June 1 following the first regularly scheduled election of directors under Section 8805.025, and the initial directors for commissioners precincts 1 and 3 and the initial place 2 at-large director serve terms expiring June 1 following the second regularly scheduled election of directors.

Sec. 8805.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in May of the first even-numbered year after the year in which the district is authorized to be created at a confirmation election, an election shall be held in the district for the election of three directors to replace the initial directors who, under Section 8805.024(b), serve a term expiring June 1 following that election.

Sec. 8805.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2010.

[Sections 8805.027-8805.030 reserved for expansion]

SUBCHAPTER A-2. EXPANSION OF DISTRICT TERRITORY

Sec. 8805.031. EXPANSION OF DISTRICT TERRITORY REQUIRED.

(a) Not later than September 1, 2011, the boundaries of the district shall be expanded to include at least 50 percent of the surface land area of at least one county adjacent to Brooks County.

(b) The addition of territory under this section may be accomplished by annexation in accordance with Chapter 36, Water Code, or by legislative enactment.

Sec. 8805.032. COMMISSION VERIFICATION; DISSOLUTION OF DISTRICT. (a) In this section, "commission" means the Texas Commission on Environmental Quality or its successor agency.

(b) After September 1, 2011, the commission shall determine whether the requirements of Section 8805.031(a) have been satisfied. If the commission determines that the requirements of that section have not been satisfied, the commission shall dissolve the district and distribute any remaining assets in accordance with the procedures provided by Sections 36.304-36.310, Water Code, regardless of whether the district satisfies the requirements for dissolution under Section 36.304(a) of that code.

Sec. 8805.033. EXPIRATION OF SUBCHAPTER. This subchapter

expires September 1, 2013.

[Sections 8805.034-8805.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8805.051. DIRECTORS; TERMS. (a) The district is governed by a board of six directors.

(b) Except as otherwise provided by this chapter, directors serve staggered four-year terms, with three directors' terms expiring June 1 of each even-numbered year.

(c) A director may serve consecutive terms.

Sec. 8805.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) Two directors shall be elected by the voters of the entire district, and one director shall be elected from each county commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as a director at large, a person must be a registered voter in the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent;
or

(2) the number of the at-large position that the person seeks.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Sec. 8805.053. ELECTION DATE. The district shall hold an

election to elect three directors on the uniform election date prescribed by Section 41.001, Election Code, in May of each even-numbered year.

Sec. 8805.054. DIVISION OF MUNICIPAL CORPORATION. The provision of Section 36.059(b), Water Code, concerning the division of a municipal corporation among precincts does not apply to the district.

Sec. 8805.055. FEES OF OFFICE; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive fees of office for performing the duties of director.

(b) A director is entitled to receive reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district in accordance with Sections 36.060(b) and (c), Water Code.

[Sections 8805.056-8805.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8805.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8805.102. CONTRACTS. The district may enter into a contract with any person for any purpose authorized by law.

Sec. 8805.103. EXEMPTIONS. (a) In this section:

(1) "Domestic use" means the use of groundwater by an individual or a household to support domestic activities, including the use of groundwater for drinking, washing, or culinary purposes; for irrigating a lawn or a family garden or orchard; for watering domestic animals; and for water recreation, including aquatic and wildlife enjoyment. Domestic use does not include the use of water to support an activity for which consideration is given or received or for which the product of the activity is sold. Domestic use does not include use by or for a public water system.

(2) "Livestock use" means the use of groundwater for the open-range watering of livestock, exotic livestock, game animals, or fur-bearing animals. For purposes of this definition,

the terms "livestock" and "exotic livestock" have the meanings assigned by Sections 1.003 and 142.001, Agriculture Code, respectively, and the terms "game animal" and "fur-bearing animal" have the meanings assigned by Sections 63.001 and 71.001, Parks and Wildlife Code, respectively. Livestock use does not include use by or for a public water system.

(b) Section 36.117, Water Code, applies to the district.

(c) In addition to the exemptions provided by Section 36.117, Water Code, the district may not require a permit for or otherwise regulate a well used solely to provide water for domestic use or livestock use.

Sec. 8805.104. IMPACT OF TRANSFER. (a) If the district finds that a transfer of groundwater out of the district negatively impacts any of the considerations described by Section 36.122(f), Water Code, the district may impose additional requirements or limitations on the permit that are designed to minimize those impacts.

(b) Sections 36.122(c), (i), and (j), Water Code, do not apply to a requirement or limitation imposed under this section.

(c) The district may impose a fee or surcharge as an export fee. The rate restrictions under Section 36.122(e), Water Code, do not apply to a fee or surcharge imposed under this subsection.

[Sections 8805.105-8805.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8805.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

(1) impose an ad valorem tax through the levy of the maintenance tax authorized by Section 8805.023 at a rate not to exceed 3 cents on each \$100 of assessed valuation of taxable property; or

(2) solicit and accept grants from any private or public source.

(2) Between SECTIONS 3 and 4 of the bill (page 2, between lines 30 and 31) insert the following SECTIONS and renumber existing SECTION 4 as SECTION 8:

SECTION 5. The initial boundaries of La Paloma Groundwater

Conservation District as created by this Act are coextensive with the boundaries of Brooks County, Texas, and include all real property in Brooks County save and except all of those portions of Brooks County that, as of the effective date of this Act, are located within the Kenedy County Groundwater Conservation District.

SECTION 6. The initial board of directors of La Paloma Groundwater Conservation District shall hold the first regularly scheduled election of directors of La Paloma Groundwater Conservation District under Section 8805.025, Special District Local Laws Code, as added by this Act, on the uniform election date in May in the first even-numbered year following the year in which the district's creation is confirmed under Section 8805.023, Special District Local Laws Code, as added by this Act.

SECTION 7. (a) The legal notice of the intention to introduce the sections of this Act that create La Paloma Groundwater Conservation District, setting forth the general substance of those sections, has been published as provided by law, and the notice and a copy of those sections 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 the sections of this Act described by Subsection (a) of this section to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to the creation of La Paloma Groundwater Conservation District by 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 the sections of this Act related to the creation of La Paloma Groundwater Conservation District are fulfilled and accomplished.