

BILL ANALYSIS

Senate Research Center
80R2583 HLT-F

H.B. 713
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Natural Resources
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, a fresh water supply district does not have statutory authority to convey facilities to another authorized water district or a nonprofit water supply corporation in order to construct, operate, and otherwise promote regional water supply and sewer utility service to the fresh water supply district. This is especially problematic in developing areas where the fresh water supply districts are created to provide financing for water and sewer utility infrastructure within the service territories of existing utilities.

H.B. 713 provides statutory authority for fresh water supply districts to enter into a contract to convey their facilities to another authorized water district or water supply corporation in order to facilitate regional utility services and provide affordable utility services to their customers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 53, Water Code, by adding Section 53.105, as follows:

Sec. 53.105. **CONTRACTS WITH OTHER DISTRICTS OR WATER SUPPLY CORPORATIONS.** (a) Defines "authorized water district."

(b) Authorizes a fresh water supply district (district) to enter into a contract with an authorized water district or a water supply corporation that authorizes the district to acquire, through the issuance of debt or other means, and convey to the authorized water district or water supply corporation all or part of certain systems or works or improvements necessary for drainage of land in the district. Authorizes the contract to perform certain functions.

(c) Authorizes the contract entered into under Subsection (b) to authorize the authorized water district or water supply corporation to purchase certain systems from the district in a specific manner. Authorizes the contract to provide that the payments due under this subsection are payable from certain sources.

(d) Authorizes the contract to authorize the authorized water district or water supply corporation to operate the water, sewer, or drainage system conveyed by the district under Subsection (b).

(e) Authorizes the contract to require the district to make available to the authorized water district or water supply corporation all or part of the raw or treated water to be used for the provision of services in the district.

(f) Authorizes the authorized water district or water supply corporation, if the contract provides for the water, sewer, or drainage system to be conveyed to these entities on or after the completion of construction, to pay the district to provide water, sewer, or drainage services to residents of the authorized water district or customers of the water supply corporation.

(g) Authorizes the contract to authorize the district to convey to the authorized water district or water supply corporation at no cost a water, sewer, or drainage system and require these entities to use all or part of those systems to provide retail service to customers in the district in accordance with the laws of this state and any certificate of convenience and necessity of the entities.

(h) Requires a contract under this section to be approved by a majority vote of the governing bodies of the district and the authorized water district or water supply corporation. Requires the district or the authorized water district, if Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, or Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution, requires that qualified voters of the district approve the imposition of a tax by the district or the authorized water district, to call an election for that purpose.

SECTION 2. Amends Section 53.171(a), Water Code, to authorize a district to issue bonds to secure indebtedness for any purpose authorized by this chapter (Fresh Water Supply Districts), Chapter 49 (Provisions Applicable to All Districts), or other applicable laws.

SECTION 3. Effective date: September 1, 2007.