

By: Callegari

H.B. No. 713

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of a fresh water supply district to issue  
3 bonds or to enter into a contract to convey property to another  
4 water district or water supply corporation.

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

6 SECTION 1. Subchapter D, Chapter 53, Water Code, is amended  
7 by adding Section 53.105 to read as follows:

8 Sec. 53.105. CONTRACTS WITH OTHER DISTRICTS OR WATER SUPPLY  
9 CORPORATIONS. (a) In this section, "authorized water district"  
10 means a district created under Section 52(b)(1) or (2), Article  
11 III, or Section 59, Article XVI, Texas Constitution.

12 (b) A district may enter into a contract with an authorized  
13 water district or a water supply corporation that authorizes the  
14 district to acquire, through the issuance of debt or other means,  
15 and convey to the authorized water district or water supply  
16 corporation all or part of a water supply, treatment, or  
17 distribution system, a sanitary sewage collection or treatment  
18 system, or works or improvements necessary for drainage of land in  
19 the district. The contract may:

20 (1) permit the district to rehabilitate, repair,  
21 maintain, improve, enlarge, or extend any existing facilities to be  
22 conveyed to the authorized water district or water supply  
23 corporation; or

24 (2) require the district to pay impact fees or other

1 fees to the authorized water district or water supply corporation  
2 for capacity or service in facilities of the authorized water  
3 district or water supply corporation.

4 (c) The contract entered into under Subsection (b) may  
5 authorize the authorized water district or water supply corporation  
6 to purchase the water, sewer, or drainage system from the district  
7 through periodic payments to the district in amounts that, combined  
8 with the net income of the district, are sufficient for the district  
9 to pay the principal of and interest on any bonds of the district.

10 The contract may provide that the payments due under this  
11 subsection:

12 (1) are payable from and secured by a pledge of all or  
13 part of the revenue of the water, sewer, or drainage system;

14 (2) are payable from taxes to be imposed by the  
15 authorized water district; or

16 (3) are payable from a combination of the revenue and  
17 taxes described by Subdivisions (1) and (2).

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

21 (e) The contract may require the district to make available  
22 to the authorized water district or water supply corporation all or  
23 part of the raw or treated water to be used for the provision of  
24 services in the district.

25 (f) If the contract provides for the water, sewer, or  
26 drainage system to be conveyed to the authorized water district or  
27 water supply corporation on or after the completion of

1 construction, the authorized water district or water supply  
2 corporation may pay the district to provide water, sewer, or  
3 drainage services to residents of the authorized water district or  
4 customers of the water supply corporation.

5 (g) The contract may authorize the district to convey to the  
6 authorized water district or water supply corporation at no cost a  
7 water, sewer, or drainage system and require the authorized water  
8 district or water supply corporation to use all or part of those  
9 systems to provide retail service to customers in the district in  
10 accordance with the laws of this state and any certificate of  
11 convenience and necessity of the authorized water district or water  
12 supply corporation.

13 (h) A contract under this section must be approved by a  
14 majority vote of the governing bodies of the district and the  
15 authorized water district or water supply corporation. If Section  
16 52, Article III, or Section 59, Article XVI, Texas Constitution,  
17 requires that qualified voters of the district approve the  
18 imposition of a tax by the district or the authorized water  
19 district, the district or the authorized water district shall call  
20 an election for that purpose.

21 SECTION 2. Section 53.171(a), Water Code, is amended to  
22 read as follows:

23 (a) A district may issue bonds to secure indebtedness for  
24 any purpose authorized by this chapter, Chapter 49, or other  
25 applicable laws.

26 SECTION 3. This Act takes effect September 1, 2007.