

1 AN ACT

2 relating to the creation of the Panola County Groundwater
3 Conservation District; providing authority to impose a tax and
4 issue bonds.

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

6 SECTION 1. Subtitle H, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 8819 to read as follows:

8 CHAPTER 8819. PANOLA COUNTY GROUNDWATER

9 CONSERVATION DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8819.001. DEFINITIONS. In this chapter:

12 (1) "Board" means the board of directors of the
13 district.

14 (2) "Director" means a member of the board.

15 (3) "District" means the Panola County Groundwater
16 Conservation District.

17 Sec. 8819.002. NATURE OF DISTRICT. The district is a
18 groundwater conservation district in Panola County created under
19 and essential to accomplish the purposes of Section 59, Article
20 XVI, Texas Constitution.

21 Sec. 8819.003. CONFIRMATION ELECTION REQUIRED. If the
22 creation of the district is not confirmed at a confirmation
23 election held on or before December 31, 2008, the district is
24 dissolved on that date, except that:

1 (1) any debts incurred shall be paid;

2 (2) any assets that remain after the payment of debts
3 shall be transferred to Panola County; and

4 (3) the organization of the district shall be
5 maintained until all debts are paid and remaining assets are
6 transferred.

7 Sec. 8819.004. INITIAL DISTRICT TERRITORY. The initial
8 boundaries of the district are coextensive with the boundaries of
9 Panola County, Texas.

10 Sec. 8819.005. APPLICABILITY OF OTHER GROUNDWATER
11 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
12 chapter, Chapter 36, Water Code, applies to the district.

13 [Sections 8819.006-8819.020 reserved for expansion]

14 SUBCHAPTER A-1. TEMPORARY PROVISIONS

15 Sec. 8819.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
16 Not later than the 45th day after the effective date of this
17 chapter, nine temporary directors shall be appointed as follows:

18 (1) the Panola County Commissioners Court shall
19 appoint eight temporary directors, with two of the temporary
20 directors appointed from each of the four commissioners precincts
21 in the county to represent the precincts in which the temporary
22 directors reside; and

23 (2) the county judge of Panola County shall appoint
24 one temporary director who resides in the district to represent the
25 district at large.

26 (b) Of the temporary directors, at least one director must
27 represent rural water suppliers in the district, one must represent

1 agricultural interests in the district, and one must represent
2 industrial interests in the district.

3 (c) If there is a vacancy on the temporary board of
4 directors of the district, the Panola County Commissioners Court
5 shall appoint a person to fill the vacancy in a manner that meets
6 the representational requirements of this section.

7 (d) Temporary directors serve until the earlier of:

8 (1) the election of initial directors under Section
9 8819.023; or

10 (2) the date this subchapter expires under Section
11 8819.026.

12 Sec. 8819.022. ORGANIZATIONAL MEETING OF TEMPORARY
13 DIRECTORS. As soon as practicable after all the temporary
14 directors have qualified under Section 36.055, Water Code, a
15 majority of the temporary directors shall convene the
16 organizational meeting of the district at a location within the
17 district agreeable to a majority of the directors. If an agreement
18 on location cannot be reached, the organizational meeting shall be
19 at the Panola County Courthouse.

20 Sec. 8819.023. CONFIRMATION AND INITIAL DIRECTORS'
21 ELECTION. (a) The temporary directors shall hold an election to
22 confirm the creation of the district and to elect the initial
23 directors of the district.

24 (b) The temporary directors shall have placed on the ballot
25 the names of all candidates for an initial director's position who
26 have filed an application for a place on the ballot as provided by
27 Section 52.003, Election Code.

1 (c) The ballot must be printed to provide for voting for or
2 against the proposition: "The creation of the Panola County
3 Groundwater Conservation District."

4 (d) If the district levies a maintenance tax for payment of
5 expenses, the ballot must be printed to provide for voting for or
6 against the proposition: "The levy of a maintenance tax at a rate
7 not to exceed _____ cents for each \$100 of assessed valuation."

8 (e) Section 41.001(a), Election Code, does not apply to an
9 election held under this section.

10 (f) Except as provided by this section, an election under
11 this section must be conducted as provided by Sections
12 36.017(b)-(i), Water Code, and the Election Code. The provision of
13 Section 36.017(d), Water Code, relating to the election of
14 permanent directors does not apply to an election under this
15 section.

16 Sec. 8819.024. INITIAL DIRECTORS. (a) If creation of the
17 district is confirmed at an election held under Section 8819.023,
18 the initial directors of the district serve on the board of
19 directors until permanent directors are elected under Section
20 8819.025 or 8819.053.

21 (b) The two initial directors representing each of the four
22 commissioners precincts shall draw lots to determine which of the
23 two directors shall serve a term expiring June 1 following the first
24 regularly scheduled election of directors under Section 8819.025,
25 and which of the two directors shall serve a term expiring June 1
26 following the second regularly scheduled election of directors.
27 The at-large director shall serve a term expiring June 1 following

1 the second regularly scheduled election of directors.

2 Sec. 8819.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
3 the uniform election date prescribed by Section 41.001, Election
4 Code, in May of the first even-numbered year after the year in which
5 the district is authorized to be created at a confirmation
6 election, an election shall be held in the district for the election
7 of four directors to replace the initial directors who, under
8 Section 8819.024(b), serve a term expiring June 1 following that
9 election.

10 Sec. 8819.026. EXPIRATION OF SUBCHAPTER. This subchapter
11 expires September 1, 2012.

12 [Sections 8819.027-8819.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8819.051. DIRECTORS; TERMS. (a) The district is
15 governed by a board of nine directors.

16 (b) Directors serve staggered four-year terms, with four or
17 five directors' terms expiring June 1 of each even-numbered year.

18 (c) A director may serve consecutive terms.

19 Sec. 8819.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
20 PRECINCTS. (a) The directors of the district shall be elected
21 according to the commissioners precinct method as provided by this
22 section.

23 (b) One director shall be elected by the voters of the
24 entire district, and two directors shall be elected from each
25 county commissioners precinct by the voters of that precinct.

26 (c) Except as provided by Subsection (e), to be eligible to
27 be a candidate for or to serve as director at large, a person must be

1 a registered voter in the district. To be a candidate for or to
2 serve as director from a county commissioners precinct, a person
3 must be a registered voter of that precinct.

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

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

8 (2) that the person seeks to represent the district at
9 large.

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

19 Sec. 8819.053. ELECTION DATE. The district shall hold an
20 election to elect the appropriate number of directors on the
21 uniform election date prescribed by Section 41.001, Election Code,
22 in May of each even-numbered year.

23 Sec. 8819.054. COMPENSATION. (a) Sections 36.060(a), (b),
24 and (d), Water Code, do not apply to the district.

25 (b) A director is entitled to receive compensation of not
26 more than \$50 a day for each day the director actually spends
27 performing the duties of a director. The compensation may not

1 exceed \$3,000 a year.

2 (c) The board may authorize a director to receive
3 reimbursement for the director's reasonable expenses incurred
4 while engaging in activities on behalf of the board.

5 Sec. 8819.055. BOARD ACTION. A majority vote of a quorum is
6 required for board action. If there is a tie vote, the proposed
7 action fails.

8 [Sections 8819.056-8819.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8819.101. GENERAL POWERS. Except as otherwise
11 provided by this chapter, the district has all of the rights,
12 powers, privileges, functions, and duties provided by the general
13 law of this state applicable to groundwater conservation districts
14 created under Section 59, Article XVI, Texas Constitution.

15 Sec. 8819.102. GROUNDWATER WELLS UNDER RAILROAD COMMISSION
16 JURISDICTION. (a) Except as provided by this section, a
17 groundwater well drilled or operated within the district under a
18 permit issued by the Railroad Commission of Texas is under the
19 jurisdiction of the railroad commission, and, in respect to such a
20 well, the district has only the authority provided by Chapter 36,
21 Water Code.

22 (b) Groundwater produced in an amount authorized by a
23 railroad commission permit may be used within or exported from the
24 district without a permit from the district.

25 (c) To the extent groundwater is produced in excess of
26 railroad commission authorization, the holder of the railroad
27 commission permit:

1 (1) shall apply to the district for the appropriate
2 permit for the excess production; and

3 (2) is subject to the applicable regulatory fees.

4 Sec. 8819.103. PROHIBITION ON DISTRICT PURCHASE, SALE,
5 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not
6 purchase, sell, transport, or distribute surface water or
7 groundwater for any purpose.

8 Sec. 8819.104. PROHIBITION ON DISTRICT USE OF EMINENT
9 DOMAIN POWERS. The district may not exercise the power of eminent
10 domain.

11 Sec. 8819.105. REGIONAL COOPERATION. (a) In this section,
12 "designated groundwater management area" means an area designated
13 as a groundwater management area under Section 35.004, Water Code.

14 (b) To provide for regional continuity, the district shall
15 comply with the requirements of Section 36.108, Water Code, and:

16 (1) participate as needed in coordination meetings
17 with other groundwater conservation districts in its designated
18 groundwater management area;

19 (2) coordinate the collection of data with other
20 groundwater conservation districts in its designated groundwater
21 management area in such a way as to achieve relative uniformity of
22 data type and quality;

23 (3) coordinate efforts to monitor water quality with
24 other groundwater conservation districts in its designated
25 groundwater management area, local governments, and state
26 agencies;

27 (4) provide groundwater level data to other

1 groundwater conservation districts in its designated groundwater
2 management area;

3 (5) investigate any groundwater or aquifer pollution
4 with the intention of locating its source;

5 (6) notify other groundwater conservation districts
6 in its designated groundwater management area and all appropriate
7 agencies of any groundwater pollution detected;

8 (7) annually provide to other groundwater
9 conservation districts in its designated groundwater management
10 area an inventory of water wells and an estimate of groundwater
11 production in the district; and

12 (8) include other groundwater conservation districts
13 in its designated groundwater management area on the mailing lists
14 for district newsletters, seminars, public education events, news
15 articles, and field days.

16 [Sections 8819.106-8819.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 8819.151. LIMITATION ON TAXES. The district may not
19 impose ad valorem taxes at a rate that exceeds 1.5 cents on each
20 \$100 valuation of taxable property in the district.

21 Sec. 8819.152. FEES. (a) The board by rule may impose
22 reasonable fees on each well:

23 (1) for which a permit is issued by the district; and

24 (2) that is not exempt from district regulation.

25 (b) A production fee may be based on:

26 (1) the size of column pipe used by the well; or

27 (2) the amount of water actually withdrawn from the

1 well, or the amount authorized or anticipated to be withdrawn.

2 (c) The board shall base the initial production fee on the
3 criteria listed in Subsection (b)(2). The initial production fee:

4 (1) may not exceed:

5 (A) 25 cents per acre-foot for water used for
6 agricultural irrigation; or

7 (B) 6.75 cents per thousand gallons for water
8 used for any other purpose; and

9 (2) may be increased at a cumulative rate not to exceed
10 three percent per year.

11 (d) In addition to the production fee authorized under this
12 section, the district may assess an export fee on groundwater from a
13 well that is produced for transport outside the district.

14 (e) Fees authorized by this section may be:

15 (1) assessed annually;

16 (2) used to pay the cost of district operations; and

17 (3) used for any other purpose allowed under Chapter
18 36, Water Code.

19 Sec. 8819.153. LIMITATION ON INDEBTEDNESS. The district
20 may issue bonds and notes under Subchapter F, Chapter 36, Water
21 Code, except that the total indebtedness created by that issuance
22 may not exceed \$500,000 at any time.

23 SECTION 2. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

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

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

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

13 SECTION 3. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1498 was passed by the House on May 2, 2007, by the following vote: Yeas 147, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1498 on May 24, 2007, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1498 on May 26, 2007, by the following vote: Yeas 140, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 1498

I certify that H.B. No. 1498 was passed by the Senate, with amendments, on May 21, 2007, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1498 on May 26, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor