

AN ACT

relating to county authority to acquire a water or sewer utility system and provide water and sewer services within a municipality.

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

SECTION 1. Section 412.016, Local Government Code, is amended to read as follows:

Sec. 412.016. COUNTY WATER AND SEWER SYSTEM. (a) A county may acquire, own, finance, operate, or contract for the operation of, a water or sewer utility system to serve an unincorporated area of the county in the same manner and under the same regulations as a municipality under Chapter 402. The county must comply with all provisions of Chapter 13, Water Code, that apply to a municipality. However, a county with a population of two [~~2.8~~] million or more and any adjoining county may, with the municipality's approval, serve an area within a municipality.

(b) To finance the water or sewer utility system, a county may issue bonds payable solely from the revenue generated by the water or sewer utility system. A bond issued under this section is not a debt of the county but is only a charge on the revenues pledged and is not considered in determining the ability of the county to issue bonds for any other purpose authorized by law. This subsection does not authorize the issuance of general obligation bonds payable from ad valorem taxes to finance a water or sewer utility system. However, a county with a population of two [~~2.8~~]

1 million or more and any adjoining county may issue general
2 obligation bonds with the approval of qualified voters.

3 (c) A county may acquire any interest in property necessary
4 to operate a system authorized by this section through any means
5 available to the county, including eminent domain. A county may not
6 use eminent domain under this subsection to acquire property in a
7 municipality. Provided, however, a county with a population of two
8 [~~2.8~~] million or more and any adjoining county may, with the
9 municipality's approval, use the power of eminent domain under this
10 subsection to acquire property within a municipality.

11 SECTION 2. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2007.

S.B. No. 1271

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1271 passed the Senate on April 19, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1271 passed the House on May 23, 2007, by the following vote: Yeas 144, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor