

1-1 By: West S.B. No. 1271  
1-2 (In the Senate - Filed March 6, 2007; March 19, 2007, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 11, 2007, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;  
1-6 April 11, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1271 By: West

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to county authority to acquire a water or sewer utility  
1-11 system and provide water and sewer services within a municipality.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 412.016, Local Government Code, is  
1-14 amended to read as follows:

1-15 Sec. 412.016. COUNTY WATER AND SEWER SYSTEM. (a) A county  
1-16 may acquire, own, finance, operate, or contract for the operation  
1-17 of, a water or sewer utility system to serve an unincorporated area  
1-18 of the county in the same manner and under the same regulations as a  
1-19 municipality under Chapter 402. The county must comply with all  
1-20 provisions of Chapter 13, Water Code, that apply to a municipality.  
1-21 However, a county with a population of two [~~2.8~~] million or more and  
1-22 any adjoining county may, with the municipality's approval, serve  
1-23 an area within a municipality.

1-24 (b) To finance the water or sewer utility system, a county  
1-25 may issue bonds payable solely from the revenue generated by the  
1-26 water or sewer utility system. A bond issued under this section is  
1-27 not a debt of the county but is only a charge on the revenues pledged  
1-28 and is not considered in determining the ability of the county to  
1-29 issue bonds for any other purpose authorized by law. This  
1-30 subsection does not authorize the issuance of general obligation  
1-31 bonds payable from ad valorem taxes to finance a water or sewer  
1-32 utility system. However, a county with a population of two [~~2.8~~]  
1-33 million or more and any adjoining county may issue general  
1-34 obligation bonds with the approval of qualified voters.

1-35 (c) A county may acquire any interest in property necessary  
1-36 to operate a system authorized by this section through any means  
1-37 available to the county, including eminent domain. A county may not  
1-38 use eminent domain under this subsection to acquire property in a  
1-39 municipality. Provided, however, a county with a population of two  
1-40 [~~2.8~~] million or more and any adjoining county may, with the  
1-41 municipality's approval, use the power of eminent domain under this  
1-42 subsection to acquire property within a municipality.

1-43 SECTION 2. This Act takes effect immediately if it receives  
1-44 a vote of two-thirds of all the members elected to each house, as  
1-45 provided by Section 39, Article III, Texas Constitution. If this  
1-46 Act does not receive the vote necessary for immediate effect, this  
1-47 Act takes effect September 1, 2007.

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